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# ***JPRS Report***

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## **East Europe**

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# East Europe

JPRS-EER-88-026

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## CZECHOSLOVAKIA

### Jurist Says Democratic Pluralism Will Not Be Tolerated

24000056 Bratislava PRAVDA in Slovak 25 Jan 88 p 3

[Interview with Law Professor Stanislav Zdobinsky of Charles University by unnamed correspondent; date and place not given: "Socialism, Democracy, and the Citizen"]

[Text] "The development of socialist democracy in all of its aspects and manifestations is a process with a conscious purpose. It stems from the very foundations of the nationwide development of social processes in the socialist community and our experiences also confirm this." Those were the words of Prof JUDr Stanislav Zdobinsky, head of the Department of State Law of the Law School of Charles University with whom we discussed several problems of strengthening socialist democracy.

[Question] What does strengthening socialist democracy in today's stage of our national development mean?

[Answer] The development of democracy is based on the success of the strategy of accelerating socioeconomic development and restructuring. The restructuring itself is possible only by means of democracy and thanks to democracy.

In state theory we speak of democracy as a form of state. On this level then, the development of democracy must involve, above all, perfecting "government by the people." We see the problem of the development of democracy in increased participation of people in the management and administration of public affairs. This cannot occur without strengthening the political rights of citizens, such as voting rights and improving the whole electoral system.

[Question] What is the role of the communist party in this process?

[Answer] It is the managing entity in the development and perfecting of socialist democracy. It is the guiding political force of socialist society and the state. As the political, ideological, perceptive and managing center of all society, the party determines the directions and goals for the development of socialist democracy, the means to improve it, takes measures to carry out its plans and is the guarantor of their execution. It cannot relinquish any of these positions.

[Question] And what if it surrenders them?

[Answer] Unfortunately, we were witnesses to that during the crisis period of 1968-1969. Instead of an improvement in socialist democracy destruction ensued in which basic socialist values disappeared. We can never forget that democracy is in a class-historic category. Therefore, again and again we must emphasize that

under conditions of socialism democracy ceases to be the means of struggle for political power. There is not and never can be democratic pluralism in the bourgeois sense.

Likewise, the intent and character of the democratic process differ today from what we witnessed in the crisis period 20 years ago. The correct and necessary decisions of the January session of the CPCZ Central Committee were not taken then. In 1968 the democratizing process, gradually dominated by rightist and antisocialist forces, turned increasingly toward again making democracy into an instrument of the struggle for political power, for a return to the political structures prior to 1938. I remind you of the attacks on the leading role of the CPCZ inherent in the CSSR Constitution and the rejection of the leading role of the communist party which appeared even on the pages of special rightist publications. We must keep all this in mind if we are concerned today about perfecting democracy within the framework of the socialist political system, the heart of which is the CPCZ.

[Question] So what is essential for socialist democracy to function?

[Answer] For socialist democracy to function it is essential that intraparty democracy functions properly. We might say that whatever kind of democracy is within the party, that kind will prevail in the whole state and society. That is why the party central committee, since the 17th CPCZ Congress, is devoting so much attention to intraparty democracy, its application and development.

The way to gauge the quality of socialist democracy as a state form is by its practical application, that is, how workers participate in management and decisionmaking of state as well as societal matters (since government is mainly decisionmaking). In the end, it is a question of how much real scope the citizens and individual entities of the political and economic system have to exercise their rights, jurisdictional powers and authority. Socialist democracy permeates the entire social order and is closely linked with the position of the citizen in the state and society, including what scope and assurance he has to exercise his basic rights and obligations, especially his political rights.

[Question] What kind of organizational-legal provisos are being prepared to democratize the life of society, to activate the citizen?

[Answer] In the economic area there is, for example, the law on state enterprises and laws on cooperatives whose bills have passed in public hearings and will be submitted for approval to the Federal Assembly.

As for the political arena, I believe that, for instance, the laws of 1971 on elections to representative bodies have done their job and no longer correspond to today's requirements for democratization and that new electoral

legislation to involve citizens in the political life of our society could and should play a positive role. I am led to this by the experiences of other socialist countries, including the USSR, where an extensive experiment was conducted last year on the election of people's deputies to local soviets. And to prove that this is a lively issue, there are the many letters from readers of RUDE PRAVO that were published last year.

This problem is connected with the development of socialist democracy because in all socialist countries representative democracy remains its main form of development.

[Question] What is the importance today of Soviet experiences in perfecting socialist democracy here? We know that in the crisis years 1968 to 1969, and even before, some theorists rejected them.

[Answer] Soviet experiences are of fundamental importance to us. They are our enduring source of inspiration based on the fact that the USSR was the first socialist state in history. Ever since its origin it had to seek solutions to totally new problems in building a new society. It found good solutions but also made mistakes. All that serves as a lesson also for us. All their experiences cannot be adopted by us mechanically without regard to our specific national circumstances. Although generally valid principles which are inherent in Soviet democracy have their validity here too. It is a question of understanding democracy as a class-historic category and that there is unlimited scope to improve democracy as long as it serves the interests of socialism and the people. In no case can improvement of socialist democracy be construed as approximating its substance to that of bourgeois pluralistic democracy as many ideologists in the West would like.

[Question] Sometimes we come across opinions that the development of socialist democracy is not rapid enough....

[Answer] Insofar as the risk of artificial slowing down of the democratization process goes, certainly it exists. Inertia, self-complacency, stereotypes and fear of new things prevail not only in the economy. We must, however, point out that there is one more risk stemming from haste, impatience, when a number of decisions might be taken without theoretical support in spite of the fact that time would be needed to prepare them carefully. So that the law may be a really active assistant in the strategy of acceleration and restructuring, so that it can fulfill its role here, laws and other legal regulations must be select in both substance and procedure. And that is a most difficult task.

[Question] What problems do you perceive from this viewpoint as the most important in researching theoretical questions of the development of socialist democracy?

[Answer] I am not qualified to determine the direction of research. However, I believe that the critical task of science in the development of socialist democracy is to try to answer the question of what must be done to actively engage the greatest number of workers in the management of state and public affairs, what must be done so that every entity in the political system really shares in political power and in implementing the strategy of acceleration and restructuring. Research should also be directed to the problem of keeping the public informed and of public opinion, the political rights of citizens and enhancing their safeguards, the principle of uniform rights and obligations of citizens and the relationship of democracy to responsibility.

Only consistent observance of socialist legality in all cases by all state agencies can create an atmosphere of citizens' confidence in the socialist legal order, inherent in which is equality of citizens before the law, and can strengthen confidence in socialist justice. Any doubt, any inconsistency in this area weakens socialist democracy. Consequently, a subject of research should also include the relationship of democracy and legality, including problems of judicial review of verdicts.

8491/08309

**Mlynar Finds Reform Heritage Still Relevant**  
23000050 Vienna *WIENER TAGEBUCH* in German  
Feb 88 pp 14-16

[Commentary by Zdenek Mlynar: "The Specter of the 'Prague Spring'"]

[Text] Gorbachev's policies constantly remind people in the CSSR afresh of the reforms of the "Prague Spring." The 20th anniversary of the events of 1968 brings the scenes from that time back to the fore. The political leaders of the CSSR are truly in an unenviable position. On the one hand they declare their adherence to the Soviet reforms of perestroika and glasnost, but on the other hand they insist that the freedom of opinion in 1968 and the actual attempt to restructure the system were steps on the road to a counterrevolutionary putsch and that it was necessary to call in the Soviet tanks to thwart the policies of that time.

The main problem, which the Prague leaders repeatedly grapple with in their speeches, seems to consist of how to deal with the specter of the "Prague Spring" which has emerged recently. The people who for 20 years have suppressed everything even remotely resembling an attempt at reform, whether in the economy or in politics, are now trying to present themselves as the most appropriate representatives of the new thinking and reform. Simultaneously they talk as though the decisive question for the country's situation today is who said what 2 decades ago, rather than what they themselves have done in the years since the Soviet intervention, for which they, of course, bear full responsibility.

This attitude, however, frequently gives rise to insoluble situations; developments in a whole range of issues lead to blind alleys from which there is no exit. Thus the present-day CSSR continues to be typified by what characterized the entire Brezhnev era: stagnation, the inability to resolve important problems and contradictions, marching in place, the contradiction between words and deeds, conjuring up the "new thinking" and in reality acting according to quite obsolete patterns of thought.

In this situation the fact that Gustav Husak has been shunted aside and Milos Jakes has obtained the top party job still has not brought any fundamental issues closer to a solution. Jakes was as involved in the events of 20 years ago as Husak or Bilak. In one sense it is actually an irony of history that precisely 20 years after the Soviet intervention, the CPCZ came to be headed by one of those men who supported the intervention at the time. Unlike Jakes, after all, Husak was among those taken by surprise by the intervention in August 1968 and he did not welcome it.

On the one hand that makes Jakes incapable of winning mass support, a man from whom people certainly will not expect a repetition of the "Prague Spring." On the other hand he is a man of authority within the conservative majority of the apparatus that controls power; he could push his wishes through. In such circumstances the question now becomes, what does Jakes actually plan to push through? "A reliable servant of Moscow, then with the intervention, now with reforms," is how Christian Schmidt-Haeuer characterized him in *DIE ZEIT*. That is not an incorrect assessment. The question, however, is whether it is really possible to push through reforms in the CSSR with the methods with which it was possible earlier to push through the Soviets' desires after the intervention. I believe this is not likely to be possible, that at best it is possible to set the stage by this method. Since, however, a certain transition period is needed in the CSSR above all, the possibility cannot be ruled out that even this method could gradually get things moving again in that country.

In his first speeches Jakes was careful to devote more attention to the problems of effectiveness in the economy than to democratization but even so, in his main speech at the Central Committee meeting he listed at least a few problems related to the policy of democratization. It would be fair to say that in this connection he made an honest effort to use Gorbachev's very vocabulary. At the same time, however, he took every opportunity to exorcise the spirits of the "Prague Spring" and repeated in numerous variations the cliched assertions made by all leaders in the CSSR: whereas certain views were proclaimed in 1968 to help "Right Opportunists" bury socialism, today those same or similar steps are presented as strengthening socialism and reinforcing the leading role of the party.

However, anybody who takes the trouble to read the many pages of clumsy formulations in Jakes' speeches will find that his vocabulary and tone are less militant and more flexible than the formulations of the party ideologue, Bilak, but at the same time less businesslike and more ideological than those of the head of the government, Strougal.

The real significance of Jakes' rise will not become clearer until after the next plenary session of the Central Committee, when there are to be further personnel changes. Who loses a post or takes over a new one will be more significant for assessing the real currents within the power structure than the collected speeches of all the members of the political leadership.

From all official statements about the "Prague Spring" since Jakes' rise, it can be concluded that there still has been no movement toward a factual historical analysis of the events of 1968. By and large the old arrogance of power still dominates: without discussion, official statements describe efforts to compare the "Prague Spring" with current reform processes in the Soviet Union as a "crude, transparent, and obvious lie." At the same time, they assert without proof or discussion that the "leaders of the Czechoslovak right" (which is how the reformist wing of the CPCZ leadership in 1968 is still described) were aiming at a development "that cannot be more aptly described than as a counterrevolutionary development."

Thus the great, blinding fear still felt by the current leaders of the CPCZ on account of their responsibility for 20 years of a devastating, retrogressive, antidemocratic policy of so-called "normalization of conditions" continues to dictate the main thesis of official propaganda as regards the events of 1968. This all receives direct support from Moscow, again on the level of official propaganda, as for instance in an article by B. Kozlov in the journal "New Times" No. 49/1987; nor is this without good cause, it must be admitted, inasmuch as the tanks that suppressed the "Prague Spring" were not of course dispatched by the Czechoslovak leaders. Even so, I believe that we should not overlook some new notes in this propaganda. For instance, the "lessons" from 1970 have the following to say about the April 1968 Action Program of the CPCZ:

"The Action Program...already reflected the heightened putschist activity of the rightists in the party. It contained un-Marxist formulations on the role of the party and the state in socialist society, on a so-called partnership view of the National Front, and on guiding the economy and culture, as well as other theses of an opportunistic and revisionist character."

Now party organ *RUDE PRAVO* wrote about that same Action Program on 4 January of this year:

"Although the program reflected the effort to provide a programmatic framework for developments in the party and society since January 1968, it included some un-Marxist formulations in the theoretical, political, and organizational areas. However, even this program did not meet the demands of the right in the spring of 1968; in its destructive activity, the right considered it inadequate."

Political commentary on Czechoslovak television, too, frequently sounds a different note than one heard even a short time ago. For instance, Milan Matous, deputy director of the Institute for Marxism-Leninism of the Central Committee of the CPCZ and known for his years of struggle against revisionists, right deviationists, Zionists, and other counterrevolutionaries of 1968, now speaks of the need to differentiate among the so-called "rightist forces." He admits that subjectively many of the initiators of the "rightist development" had no antisocialist goals at all and that they must be distinguished from the "true class enemies."

Of course the significance of all this must not be overestimated. I do not see in it the beginning of any "new thinking" by the ideologues of Czechoslovak "normalization," merely proof that they are feeling their way around in the blind alley, an attempt to maneuver in a situation where that cannot lead to anything. Nonetheless, it is a form of movement, although for the time being, movement without any goal.

The trauma of 1968 cannot be removed from practical politics in the CSSR unless both the ruling circles and society as a whole deal with this past in a critical, open and democratic discussion. The longer this is postponed and the longer facts and documents from that time are kept secret and declared taboo, the worse are the chances for a new reform movement and the longer the trauma will haunt those in power.

The "Prague Spring" cannot repeat itself today in Czechoslovakia. The generations that created it—both inside and outside the CPCZ—have reached retirement age. The majority of Czechoslovak society is made up of members of the generations that were children back then or were not even born until after 1968. A majority even of the CPCZ today is made up of members who joined after the purges of 1970.

The experiences and thoughts and values of the people who experienced the years before the Second World War; in whose lives the war was the major event; who then experienced the realities of Stalinism; and who, after the shocks of 1956, lived in the belief that it was possible to "overcome the deformations" and realize the democratic ideals of the years 1945-48—today these belong to the past, they do not constitute a decisive social force capable of implementing reforms at the end of this century. It is not, however, acceptable for those members of the older generations who stood on the side of reform 20 years ago to remain banned from public life and for

that public life to continue to be dominated—often through the use of force—by those members of the same generations who already opposed reform back then or for careerist reasons devoted themselves to anti-reform policies and have enjoyed the profits of that for a good 20 years. It is not possible to create the necessary conditions for beginning any new reform or "new thinking" either by discriminating against or by favoring people on the basis of what they said and did 20 years ago.

The vicious circle in Czechoslovak politics can be broken only by social and political forces which were not deeply involved in the conflicts, intrigues, and moral decay of the years after the Soviet intervention, only by forces whose primary interests are tied up with current problems of the economy, social life, politics, and culture. The present demoralized ruling clique will hardly yield to these forces without resistance. A struggle and pressure from below will be required. Nor can change come from a Mikhail Gorbachev from outside. In the CSSR reform and democratization can be realized only to the extent that they are pushed through by domestic forces, whether inside the official structures—including the CPCZ—or outside them.

This being so, however, those who were actively involved in the policies of the "Prague Spring" have a deserved role to play. It is good that after so many years Alexander Dubcek too has come forward with an account of his political views in 1968 to defend himself against the lies of official propaganda. Personally, however, I believe that all of us who bore political responsibility in 1968 must analyse the causes of our defeat more deeply and more critically, as well as with a greater degree of self-criticism (1). Otherwise we will not help those whose task it is today to implement reform policies successfully; otherwise we will spread illusions about what actually happened 20 years ago. But this generation too, which will no longer be the main force behind current and future reforms, must take part in the democratic discussion and have the right to pass its experiences on to others.

The West European Left should help secure this chance for a more open, critical, and democratic discussion of the events of 1968. In a way the CSSR could prove an extraordinarily interesting laboratory for the West European Left, because its historic tradition makes the CSSR part of West European civilization and culture. This was thwarted at least twice: in 1948 and in 1968. The third time, however, in 1988, one might hope that the CSSR will, with time, win the right to take its own path to socialism. That, however, is a prospect which one does not connect with the name Milos Jakes.

#### Footnote (1)

An article on the history of the "Prague Spring" by Zdenek Mlynar that appeared in RINASCITA on 26 December 1987 contains a first attempt at such criticism. We quote: "Of the 8 months granted the 'Prague

Spring,' we can describe the first three as a period in which party leaders hesitated uselessly, failed to take necessary steps in time, and also permitted themselves to lose the initiative. The 'Action Program,' which contains the principles of the reforms, was not published until 5 April although the text was ready at the end of February. Even though it was clear that the 'Action Program' introduced a major shift in CPCZ policy, party leaders did not agree to the demand by a number of organizations to convene an extraordinary party meeting. If the decision to convene one had been made in February, it could have taken place as early as May, at a time when military intervention was rather unlikely. Moscow could hardly have reacted so quickly. Local and parliamentary elections were planned even before the fall of Novotny, the former for May and the latter for June. The elections were postponed, whereas they could have been used to provide a rapid turnover of all elected officials... If the political line laid down in the 'Action Program' had been adopted by an extraordinary party meeting, which would also have elected a new Central Committee whose members would have been supporters of the new political line, there would have been fewer differences of opinion in the party leadership. The open enemies of reform would have lost their positions in the Central Committee and in the party Presidium..."

12593

#### **Alcoholism Still Unchecked**

24000062a Prague RUDE PRAVO in Czech  
1 Feb 88 p 4

[Article by Jana Casnochova: "Life Without Alcohol"]

[Excerpts] Alcoholism remains a serious national problem. This was confirmed by CPCZ CC Plenums held in February and October 1987. The clear conclusion from these plenums was that drunkenness and alcoholism have serious negative moral, health, and economic consequences. They are a major cause of crime, workplace injuries, and violations of work discipline. An analysis of the current status of the struggle against alcoholism shows that despite all the measures we have taken, we have not succeeded in creating the proper social atmosphere, one that would place a negative value on the excessive consumption of alcoholic beverages. Annual consumption of alcoholic beverages in Slovakia in 1986 equalled 9.7 liters of pure alcohol per capita. Every citizen spends about Kcs 2,174 annually on alcohol. This is roughly 20 percent of all expenditures on food. High alcohol consumption is evident in the large number of documented alcoholics. This number continues to increase. In 1980, there were about 76,000 alcoholics in Slovakia. In 1986 there were more than 120,000.

Research on so-called problem drinking (defined as more than normal drinking, but not yet alcoholism) has shown that almost 32 percent of the population can be classified

as problem drinkers. The figure for males of productive age is almost 43 percent, and for women 18.5 percent. The largest numbers of problem drinkers are in the East Slovak region.

There are many reasons for alcoholism: genetic, biological, psychological, and social. People in wine producing regions tend to drink more. There is always a reason to take a drink.

Some studies have shown that only a little under 8 percent of eighth grade students have never at least tasted alcohol. Last year it was learned in Bratislava that some seven year old children are drinking alcohol. These facts become even more serious when one recognizes the connection between alcohol consumption and crime, to say nothing of the impact of alcohol on still developing bodies. Up to 35 percent of all crimes are committed under the influence of alcohol. Some 64 percent of all rapes and 50 percent of all robberies are committed under the influence of alcohol. About 22 percent of all crimes committed under the influence of alcohol are committed by juveniles.

To eliminate alcoholism from our lives, we first must change our attitude towards it. Currently we tolerate alcoholism to an unhealthy extent, even in the workplace. This results, among other things, in a high number of fatal accidents. In a 37-week period of last year there were 26 more fatal accidents in the workplace in the SSR than in the comparable period of 1986. Alcohol accounted for 25 percent of this increase.

9276/12913

#### **POLAND**

#### **FRG Eastern Policy Viewed; Prospects for Cooperation**

26000172 Warsaw POLITYKA in Polish 30 Jan 88 p 11

[Article by Bonn correspondent Adam Krzeminski: "We Must Get Going"]

[Text] Spring arrived in early December. At any rate, this is the idea one may get by looking at the trees warmed by the sun in Bonn and at the TV screen. Since the time we saw "Ronnie and Gorby," as they call them here, shaking hands after signing the historic treaty, journalists and officials have been talking about a new spring, a turnaround and new hopes for the future.

Nonetheless, in this era of television, emotions change quickly, and the memory of the summit meeting fades, the same as that of an astounding statement by Chancellor Kohl carried by the two major TV channels immediately after the report from Washington. The chancellor, evidently satisfied with himself, explained to his people that this Soviet-American summit was also a credit to him. Next day, people who were not exactly taken by the verbosity of Christian Democrats, told me that "even in



your quarter, in the East, something like that does not happen." In its turn, technical difficulty during the airing of the New Year speech by the chancellor (first a long interruption in the announcement and then 2 minutes of fragments from other broadcasts before the proper one came up) further heated a discussion on the use of the mass media for self-promotion by politicians.

By now, this has almost been forgotten, as well as a competition of sorts between the chancellor and the president in making Christmas and New Year speeches about hope, with the president adding some words of concern with the future of iron mill workers of the Ruhr threatened by unemployment. Looking at the German TV screens, one could get the impression that the republic was still wrapped up in its internal affairs: the tail end of the Barschel affair, the short-lived sensational possibility that somebody indeed helped the pitiable politician from Schleswig-Holstein to depart this world; then, the affair of Werner Hofer—the shameful texts he published in the Hitlerite press in 1943 caught up with him after 40 distinguished years of promoting liberal public opinion and the still unfinished scandal involving nuclear waste, which, in contravention of the non-proliferation treaty, may have ended up in Pakistani nuclear bombs. There is no proof, but there is a scandal.

However, there is also a spring atmosphere in East-West relations. Everybody is looking at the Federal Republic of Germany and the trial balloons it is sending out. The calendar of diplomatic arrivals and departures is crowded. Just a moment ago, I heard on TV news that [Foreign] Minister Genscher got another visit to Syria "over with"—this was the word used—and is now expecting his opposite number from the USSR, Eduard Shevardnadze. Chancellor Kohl is preparing to visit Prague, then it will be Warsaw's turn. A visit by Gorbachev to Bonn is also within the realm of possibility. However, despite a full calendar, it is somehow difficult to grasp the outline of this new stage of West German Ostpolitik. A lot is changing in the atmosphere, but little in specifics. Nonetheless, the night flight by Franz Josef Strauss to Moscow, his picture on the front page of PRAVDA and enthusiastic statements upon his return home signify more than a changing atmosphere.

And how does Poland look from here? The long-postponed visit by Hans Dietrich Genscher to Poland was much in evidence here on TV and in the press, perhaps more so than other routine meetings of this foreign minister with the longest tenure in the world. This resulted from troublesome events which caused this visit to be postponed from 1984, when the situation in our country was too tense for several weeks after the murder of Father Popieluszko and later, when the two parties could not come to an agreement on a program for the visit, composition of the entourage, a symbolic gesture at the grave of a German soldier and a meeting with the functionaries of the disbanded "Solidarity".

Now these matters are no longer an obstacle. However the fact that they stood in the way once has influenced the peculiar vision of this endeavor by German reporters and commentators.

Right before his flight to Warsaw, Genscher referred to the treaty of 1970 by saying that "it has once and for all broken the vicious circle of lawlessness and violence"; he mentioned the need for economic cooperation and also spoke on the sensitive issue of family reunification and Germans wishing to emigrate from Poland. Interestingly, German newspapers put differing emphasis on these issues in subsequent reports from Warsaw. The liberal SÜDDEUTSCHE ZEITUNG titled its first report "Genscher: No Territorial Claims Against Poland. The Foreign Minister Promises Help in Solving Economic Problems." The conservative FAZ (FRANKFURTER ALLGEMEINE ZEITUNG) commented that Genscher perceived his visit in moral rather than economic terms and that remembrance of the gesture by Willy Brandt and an explicit statement on the border issue could have ramifications for the domestic policy in the FRG. The FDP [Free Democratic Party] politician "was trying to distance himself from Christian Democratic advocates of the associations of displaced persons." In the right-wing DIE WELT, Carl Gustaf Stroehm managed to count, out of Vienna, 1.9 million Germans living in Poland, whom Genscher should take interest in. Thus, over 2 years the German "head count" by the DIE WELT expert increased by almost a million. The further we go, the more there are.

From the very first day of the visit, TV pictures conveyed an image of detente and close friendship. I must say that I had not seen the role of host come so naturally to our minister of foreign affairs for a long time. His words that the "moral dimension" of the Polish-German relations also embraces the fate of Germans who "had to leave their motherland" were the topic of the day here. Later, when a meeting between Genscher and a group of Germans living in Poland was mentioned, it was looked upon as a matter of no special distinction.

Also, television left other images in the minds of the German audience: a meeting between Genscher and Walesa, which was anticlimactic after some speculation as to whether "they will or will not let him go," and also destroyed illusions. "Is Walesa not a free man?" asked the conservative FAZ rhetorically. Laying the wreath at the tomb of Father Popieluszko was also shown. Stefan Dietrich from the FAZ observed with irony that the ovation Genscher received from the 150 people at the [Church of] St. Stanislaus Kostka came as something of a surprise to the minister because "he rarely hears anything like that at home."

The scene of laying a wreath at the tomb of the German Unknown Soldier from the year 1914 came across on TV as rather nondescript. The ribbon read "To the Victims of Wars and Tyranny." Has this settled once and for all

"the graves dispute?" Something paradoxical has happened. The left-wing, liberal FRANKFURTER RUNDSCHAU commented as follows on this policy of graves "which distorts the essence of policy vis-a-vis Poland for a segment of Western public opinion. For this reason, more important statements and actions impacting on the future are not heard and taken note of." Reportedly, a Polish journalist said that Genscher is indeed concerned with the future, but still calls out the past from numerous graves. The FR commentator continued that "Genscher plays a considerable part in mandatory visits to German cemeteries and military graves in Eastern Europe, at least in the countries which suffered the most under German occupation, effecting the rise of emotions burdening the current political climate by reminders of the unfortunate past."

[Foreign Minister] Marian Orzechowski considered the visit by Genscher to be "very important, fruitful and encouraging." At the same time, however, he noted that the Federal Republic and Poland are still in a transition between normalization and understanding. Referring to reconciliation, he stated that it cannot be decreed, and good will calls for actions and specifics.

German commentators are optimistic, but not overly so. "Traditionally disputed issues largely remain, though they are less explosive, and on some issues relaxation occurred due to the use of new definitions. Poland denies the existence of ethnic minorities on its territory not because there aren't any but because they facilitated the destabilization of the regained statehood in the period between the two [World] Wars when they accounted for at least 40 percent of the population. This is a reason why demanding the status of a minority for the Germans still living in Poland was not the best way to improve their situation. This time, Genscher referred to "the cultural and linguistic identity" which should be maintained, and the hosts have nothing against him meeting the representatives of the German "Circle of Friends" from Upper Silesia. To be sure, new packaging does not eliminate the problem, but sometimes makes solving it easier...", writes Joseph Riedmiller, chief foreign editor of the currently largest-circulation daily in the FRG SUddeutsche Zeitung.

However, Polish affairs are only one part of German policy in the East which the government of Helmut Kohl would like to enliven. "However, unlike the early 1970s, you do not feel an atmosphere of turnaround in Bonn. We should not put too much stock in the politicians' phraseology of 'a turnaround,' 'new impulses,' 'a second spring.' In reality, things develop much less dramatically. Not a new era, but laborious and, in some cases, very time-consuming attempts to build on something that has been achieved at one point," wrote an FR commentator after the visit by Genscher.

Today, several hours before the arrival of Eduard Shevardnadze in Bonn, Poland is taking a back seat. To be sure, they discussed the current Eastern policy of Bonn

on the new TV program "Press Club on Channel One," which has been running for several weeks instead of Werner Hoefler's "International Meeting with a Glass of Wine." However, Poland was not a topic, and there were three Germans, a Frenchman, an American and a Russian sitting at the tables. This is the rule: not one Czech, Hungarian or Pole, or anybody from the GDR. One of the journalists covering Eastern Europe in Bonn told me that "Poland is not a worthwhile topic"; after Dubcek's interview for UNITA, Czechoslovakia is what matters. This, however, is only part of the reason: we are not the story, there are fewer and fewer juicy affairs, our normalcy has become boring.

Be that as it may, an entire network of links, contacts and acquaintances between our two countries has evolved over 20 years. Detailed reports not only on our current developments, but also on more profound psychological and historical background, are published in the press every so often.

The fact that Genscher was accompanied by an entourage of people committed in spirit and in deed to mutual rapprochement of the Germans and the Poles, Count Doenhoff, Prof. Jacobsen, Klaus von Bismarck, Prof. Rudolf von Thadden, representatives of the entrepreneurial spheres such as Wolff von Amerongen or von Beniksen-Forder, head of the VEBA concern, proves that there are people in the Federal Republic whose involvement is long-term.

The atmosphere is conducive to working out lasting projects for the future; there are partners as well. However, there is still little experience of stable and continuous cooperation. There is too little youth exchange, too few joint projects on which young people can come together for more than talking. Certainly, ecology is and will remain a common issue. It is also worthwhile considering who in Poland can be the partner out of the dozen or so German-Polish associations, to which, be that as it may, well over 1,000 active members belong, but which are somewhat up in the air about nostalgic tourism and financial aid. It may be that "circles of friends" of Hanover, Nuremberg, Goettingen etc. should be set up in our country on the basis of city pairing. At some point in the future, we in Poland will have a West German cultural center. Finally—and most importantly—transcending bilateral issues with a view to broad cooperation of everybody with everybody else in Europe is in store for us; it is already beginning. The cards are being dealt now, and, contrary to what it seems, we have more than just plain cards on hand. All we have to do is get going and not erect bureaucratic or psychological blocks ourselves.

**Warsaw PZPR Reviews Referendum Efforts, Interpretations**

26000130i Warsaw TRYBUNA LUDU in Polish  
4 Dec 87 p 7

[Article by (om): "Questions About Reform"]

[Text] Has the party not achieved the goal it set for itself in the campaign for the national referendum? Or was it a victory in which two-thirds of Poles came to vote and speak their minds on ways to stimulate the economy and speed up the democratization of life as called for in the resolution of the 10th Congress? Should we regard the results of the referendum merely as a public consultation or should they rather be made an integral part of any final decisions about the second stage of reform? Was the propaganda on the referendum too aggressive or did it, on the other hand, fail to adequately convince the public of the need for quick changes?

These and many other controversial questions and statements were presented at a discussion during yesterday's (3 December) meeting of the Warsaw PZPR Committee's executive board. Today, everyone has a different opinion about the results of the referendum but they also say that we have barely begun to analyze the meaning of this important act in the process of democratization of life in Poland. Careful analysis must be given the complicated conditions under which the referendum was held to make proper use of its results in the irreversible process of reform.

As Janusz Kubasiewicz, chairman of the meeting and first secretary of the Warsaw PZPR Committee, said, the Warsaw PZPR organization has already begun to assess the results of the pre-referendum campaign. One such result was that in Warsaw Voivodship as in Lodz, Krakow and Wroclaw voivodships, more than 50 percent of voters approved the proposals for quick reform and this encourages the party organizations to try to gain more supporters.

The enormous mass of over 20,000 activists in the Warsaw organization has become involved in this campaign of economic education. And such education must be continued on an equally broad scale for the premises of the second stage of reform to find their proper place in our economic life.

The tasks of the Warsaw PZPR organization in the implementation of this second stage of reform were discussed during a later part of the meeting. The basic direction is working with personnel to fully transform their way of economic thinking and to uproot old myths about the method of management long attributed to the socialist economy. Full acceptance of the principles of competition, the rights of economic cost-accounting and an unbreakable connection between wages and work quality must all now be combined with the workers' authentic participation in the management of their enterprises.

The Warsaw committee will undertake various forms of educational work within Warsaw and this will include seminars and training meetings for various groups of active party members as well as the preparation of the needed brochures and printed materials.

The meeting which was held in the headquarters of the Mokotow District PZPR Committee was also attended by a group of activists from this district. That group included Zygmunt Bosakowski, rector of the Main School of Planning and Statistics, Jerzy Mazurek, vice-chairman of the Radio and Television Committee, Janusz Roslon, foreman at CEMI, Jacek Sieczka, foreman at Elektromontaz, as well as Zygmunt Gierczynski and Boleslaw Sniatynski, worker's movement veterans, and several secretaries from primary party organizations in Mokotow enterprises.

12261

**'Poland 2000' Committee Reports Diverse, Controversial Opinions**

26000130k Warsaw RZECZPOSPOLITA in Polish  
10 Dec 87 pp 1, 7

[Interview with Professor Zdzislaw Kaczmarek, chairman of the Polish Academy of Sciences' "Poland 2000" National Growth Prognosis Committee, by Witold Blachowicz: "We Do Not All Have To Speak With One Voice"]

[Excerpts] [Question] Professor, the very name of the "Poland 2000" Committee indicates the problems facing the country's growth. In today's uncommonly complicated situation with its continually large number of changing elements, is scientific prognosis really possible?

[Answer] There are certain spheres of social and economic life that more easily "give themselves" to scientific prognosis and one such is demographic problems that use the present status quo to make a prognosis with a risk of slight error. Others such as the development of the international situation or the role of scientific discoveries are much harder to predict.

Of course, many problems cannot be fully determined in prognosis. This makes it all the more important to answer a question I often ask and that is whether our prognoses have properly considered the possibility of certain surprises in growth processes. In my opinion, both the academic community and professional planners have avoided introducing these elements to plans and prognoses and that is a great mistake. That is why I intend to stubbornly insist that the prepared report "Dilemmas in Poland's growth at the start of the 21st century" predict possible surprises and determine their possible influence on the future form of the solutions we have proposed.

The whole issue boils down to working out a system that would have the proper reserves. Summing up a scientific prognosis is possible if the diagnosis is correct, earnest analysis is done and possible surprises are prudently considered. For that purpose, we are creating reports for many different variants.

[Question] On which group of problems is the committee presently concentrating its efforts and what are the chief goals of the particular specialist groups within the committee?

[Answer] We are above all concentrating on several problems of great importance to the future of the country. The first group is the problem of feeding our people and the growth of our food economy in the next 20 years. There is also the problem of housing in which we want to present methods of achieving our goal of four million new dwellings by 2000 (such a program was adopted by the 10th PZPR Congress) and propose methods of introducing an efficient housing economy within the broad context of social, cultural and political processes, etc. Finally, the third group covers fuel and energy problems which have an enormous influence on the possibilities and rate of our development.

Furthermore, we are trying to create within the committee a certain vision of Poland's growth as a civilization. In this delicate matter, we must consider civilizational trends in other countries and the possibility of applying them to a Polish socialist society and also look at the unique breakthroughs that have been made in the customs, mentality and the expectations of specific social groups.

In the "Poland 2000" committee, we are also considering education and the problems of national education, culture, health care, sociopolitical problems and many other issues.

[Question] What are the chances that the committee's work will be used and in what way do the authors of the individual reports and analyses most want to see them used?

[Answer] The committee which has already been operating for 18 years under the Polish Academy of Sciences [PAN] has made an entire bibliography of publications (valuable prognoses, reports and opinions), all of which we use. We take the position that the work done by the committee should be made available in the form of open publications. Differences of opinion and controversies are useful and enrich our work. However, aside from reports by individuals, there are also those that express the views of the majority of committee members. Examples of this include the "Dilemmas in Poland's growth at the beginning of the 21st century" and many others.

I think that we should present the public with the entire range of opinions. At the same time, we should give the state and political authorities the most objective proposals made by the majority of committee members and by PAN. We think that the results of our work will be used by the Planning Commission in its work on a long-range plan for national development.

Various points of view and concepts should be presented to the public. As long as the Sejm does not accept a long-range plan we will have time for extensive discussion. Even if they do reach a decision, discussion will have to continue because certain problems will always have to be adapted to existing needs and the changing situation. That is why there is no reason to look for elements of sensationalism when proposals for corrections to the National Social and Economic Plan for the current 5-year period are presented.

[Question] You are the committee chairman but above all, you are also PAN's academic secretary and participate in the work of the Council of Ministers. This certainly gives you a broader perspective on existing problems. However, on the other hand, does that not place a certain limit to the diversity of views and reduces the number of variants proposed by the committee?

[Answer] The chairman does not decide for the committee nor should he dictate his own point of view. Naturally, people closer to decisionmaking processes often have a greater access to information and that can indeed produce a tendency toward excessive caution. However, the committee includes many different specialists who can correct any such problems. We must also remember that most of these proposals have been prepared by a group of people. I think that the greater pool of information would at most only limit the number of unrealistic proposals but that is a positive element. The purpose of the "Poland 2000" Committee is to stimulate decision-makers to take a broader look at problems rather than to support their opinions and prop up their methods of action.

12261

#### **OPZZ Paper Reviews, Criticizes Government Postreferendum Actions**

26000157 Warsaw ZWIAZKOWIEC in Polish No 2, 10 Jan 88 pp 1, 3

[Article by Zygmunt Erenal: "A Difficult Beginning"]

[Text] All kinds of accusations were bandied about, from imputations of defeatism—that the trade unions again "went along" with the government in having the populace drastically tighten their belts—to those of "remunerative orientation"—that the trade union movement was asking for more than it could deliver. There was talk of slowing down the reform and knuckling under to the pressure by the rank-and-file... Such were the responses

to the position paper by the OPZZ [National Confederation of Trade Unions] Council on the program for implementing the second stage of the economic reform, adopted on 23 November of last year. Meanwhile, the referendum of 29 November of last year really put the lid on the runaway reformist aspirations of the government.

It turned out yet again that the reborn trade union movement speaks for a majority of the populace, communicating its opinion correctly. After all, the trade unions are not against the concept of the second stage, they have not voiced criticism of its goals. However, they are against a majority of the methods, against excessive economization of social programs and benefits, against placing the burden of the economic crisis once more on the shoulders of the populace, and particularly the majority employed in the socialized sector.

After the referendum, the government seemed to have lost its breath for a while. Supposedly, it was prepared for a three-stage introduction of the reform, but I think it truly elaborated only the first, most radical scenario, which failed to gain support. Had it been otherwise—as we had been assured before—the government would have immediately released previously prepared executive documents for a more moderate scenario, and preparatory work could have begun as early as 5 December. Instead, vigorous recalculations started anew, and everything was prepared as late as the date of the second part of the 6th PZPP CC Plenum, which was also rescheduled somewhat for this reason. Therefore, delay due to the cold shower lasted about 15 days.

What changes did the prime minister propose in view of the results of the referendum? Quantitatively and, regrettably, qualitatively minor. As could be expected, the conceptual content of the second stage of the reform survived, which is what the trade unions wanted. However, the major burden, especially due to increased prices for basic foods and non-food necessities, was spread over 3 years. In keeping with the requests by trade unions, rationing of meat will continue, which will make it possible to avoid drastic price increases for this product; previously scheduled increases in prices for other assortment groups will be 2.5 times smaller than planned before 29 November. The prime minister said that generally it “means a reduction by about one-third in the overall growth rate of retail prices after 1 January 1988. Excluding increased prices for alcohol and tobacco, this rate will amount to about 27 percent instead of the originally planned 40 percent.” Original plans, i.e. about 40-percent growth in prices, will remain in force with regard to producer goods.

To my mind, this is nothing else but giving with one hand while taking with the other. Given a large increase in prices for producer goods and wholesale prices and forced continuation (i.e. by increasing subsidies) of official prices, cancellation of regulated prices and “letting

up” on contract prices, the latter will soar so high that the populace will suffer as much as in the first [radical] scenario, but this time without official compensation.

Abandonment by the government of the salary cutoff, the notorious 12 percent [prohibitive taxation of salary increments above 12 percent a year—translator's note] for the next year is a considerable success of the [trade union] movement. I wonder what the substitute for it will be. I have difficulty believing in sudden magnanimity towards and full confidence in enterprises. After all, we have grown so accustomed to supervision and restrictions issuing from the upper echelons that we will miss them, ineffective as they are.

Generally, the 6th PZRR CC Plenum reaffirmed its full support for the program of the second stage of the economic reform, for democratizing all spheres of social and political life. In its resolution, the plenum clearly took into account the requests of the trade union movement (we carried the speech by Alfred Miodowicz [OPZZ chairman, member of the PZPR CC Politburo] in *ZWIAZKOWIEC*, 1988, No. 1), stressing that economic equilibrium should be brought about “primarily by increasing the supply of goods and services and reducing the cost of production,” by accelerating structural changes in industry, modernizing management, developing self-government and promoting initiative and enterprise in all fields. Also, very importantly, “the necessary process of bringing order to wages and prices, making economic indicators realistic and reducing subsidies should proceed so as to create conditions for maintaining the real value of incomes of the populace.”

More details concerning the planned changes, though not entirely clear and precise, came out during a plenary session of the Sejm on 28 December 1987. A speech by Minister of Finance Bazyli Samojlik was particularly interesting. According to him, our state budget will be pushed further out of equilibrium due to changes resulting from the referendum, and the budget deficit next year will increase by another 369.6 billion zlotys. In other words, together with “the achievements” of this year the nominal shortfall will amount to 568 billion zlotys. Despite previous assurances, the government will not reduce the tax burden on state enterprises, because “moderating the tax burden on the units of the socialized sector hinges on making significant changes in the price structure and reducing subsidies considerably.” On the other hand—and this strikes me as odd in light of the above—reductions “will be made in the income tax on profits from private production, trade and service operations, and the nominal marginal rate of this tax will be reduced to 75 percent” (from the current 80 percent—note by Z. E.). The statements quoted drew opposition from the deputies, about which more follows.

A reduction of the tax on profits in socialized trade to 65 percent, cancellation of the 12-percent threshold for the tax on above-the-norm remunerations, simplified formula for the turnover tax, cancellation of taxes on the

exchange of apartments, increase in the threshold of the equalization tax to 3 times the average mean wage in 1987 and its less progressive schedule deserve to be stressed as positives. However, abandonment by the government of the so-called regulated prices is striking, because they gave the government a handle on the happy-go-lucky price setting for many basic staples.

A speech in the Sejm by Wladyslaw Baka, chairman of the NBP [National Bank of Poland] was even more sorrowful. He showed the absolute ineffectiveness of bank supervision over industry and the economy in the environment of weak currency. He stated that only 20 percent of Polish enterprises enjoy permanent creditworthiness. This makes a layman wonder: by what miracle does our state have any budget at all? Why is the deficit a mere half a trillion zlotys? Where are the subsidies coming from, if there are no funds to draw on?

Chairman Baka also observed, without commenting on it, that "for several years, profits have increased the fastest in the non-socialized sector. They are expected to increase by 90 percent (sic!) in 1988" and that 40 percent of the increment in labor force will find employment in this sector. No wonder people will be fleeing there, because profits of the socialized sector are to grow by only 42.5 percent, or at less than one-half the above rate.

### Criticism

A repartee to government documents came from deputy Stanislaw Paca, who spoke on behalf of the trade union movement. She stated that the lack of data on budget implementation in 1987 makes a real discussion of the CPR [Central Annual Plan] and the second stage of reform difficult. Imposition of excessive raises of food prices, which is unacceptable, is a shortcoming of the price and wage policy.

After all, this approach to the reform forces and presupposes from the beginning compensation for the growing cost of living and fuels the inflationary cycle. In its turn, compensation brings about further skewing of the structure of income from employment and exacerbates inadequacies in the pay scales while offering very little protection. The deputy provided new numbers. She stated that next year retail prices are expected to grow by 33.5 percent, and including raises carried forward—44.5 percent, which makes the expected wage increase of 26.7 percent inadequate. The basket of goods and services proposed by the government to the trade unions omits many important items anyhow. Besides, calculations of the cost of living and especially compensation cannot be based on the survey of household budgets in the 2nd quarter of 1987, because many prices increased considerably in the 3rd and 4th quarters.

Other deputies also voiced many reservations about the documents submitted by the government. Concerning the draft budget law, deputy Zbigniew Baranski observed that the government envisages a 4.6-percent

increase in investment next year compared to the previous year. Why was the Sejm not furnished a detailed investment plan so the deputies could verify where this money was going to go? Which investment projects will bring equilibrium in the market and be recouped rapidly? The ones that are material-intensive and take a long time to reach full capacity should be postponed.

Deputy Ryszard Czyz voiced concern with the financial situation of many state enterprises whose assets are 65 to 85 percent amortized, while only 20 percent of them are considered permanently creditworthy by the NBP. The socialized sector needs to be cured first, because it is hard to believe in the miraculous role of the private sector.

Concern and the feeling that the needs of the professional communities have not been met in plans for the next year, i.e. the second stage of the reform, was evident in the statements by many deputies coming from various sectors of our economy—transportation, industry, health service, science and farming.

### Concern

As I see it, the package of financial documents for the next year submitted to the Sejm on 28 December of last year leaves too many problems unsolved and contains too many obscure passages cloaked by aggregated overall statistics and indicators. A response to many issues clearly raised in the position paper of the trade unions of 23 November 1987 is still lacking. It is not known whether and how enterprise social and housing funds and financial assets of trade unions in bank accounts are going to be adjusted for inflation. Government programs by Minister [of Land Use Management and Construction] Ferensztajn aimed at rehabilitating housing construction still are not convincing. They strike me as being spread too thin—they are an attempt at improvement in the largest possible number of endeavors, but never to the point of turnaround. This may be the reason for the difficulty in pinning down the time horizon when an improvement is supposed to occur. The mode of calculation by the government of [the value of] "a basket" of basic goods, expected to be compensated for as prices grow, is still unclear. Finally, proposed specific price lists for basic staples, something that is crucial for the trade unionists, are lacking.

A new issue has come up. A very large jump in various kinds of contract prices may be expected due to the government abandoning regulated prices and increasing drastically the prices of energy carriers for industry. The government drafts altogether pass over in silence compensation for the growth of these prices. The trade unions cannot go along with this approach.

The trade union movement resolved at its congress to prevent a drop in the living standard of the populace. This goal already appears to be in jeopardy in many fields. To mention just one, the perverse calculation of

the cost of living "excluding alcohol and tobacco" is not practiced anywhere in the world. It is clearly detrimental to the working people, and it adulterates economic reality. After all, if we exclude these costs, it will not change the fact that families and children of alcoholics or smokers will have less to eat. Should they be punished for it? The government and many sober-minded columnists say yes, punish them. This, however, is a questionable operation aimed at yanking several chunks of food off the plate of the populace. The operation would be fine only if alcohol and tobacco were outlawed by the state, not produced in the country and not carried by the general retail trade outlets...

Both the concept of the second stage of the reform and the plenary discussion at the PZPR CC and the Sejm have shown that our foremost economists are unable to kick the habit of consistently shifting the cost of the crisis to the working people. They are either unable or do not know how to proceed along more difficult avenues, calling for the strictest consistency in the treatment of industry, the economy, state administration and, finally, for promoting the expansion of production and supply. Having the populace tighten their belts does not necessarily bring about positive economic results—as is increasingly clear from the Romanian situation—same as prohibition and ignoring ugly human addictions has never eliminated them.

There is also another disturbing trend which shone through in the statements of both minister Samojlik and chairman Baka. One could sense obvious regret that they had failed to introduce the simplest, most radical version of the reform and attempts at complaining that the referendum had brought about an increase in budget deficit, balance-of-payments difficulties and weakening of the zloty. Criticizing the populace or accusing it is a method known in our recent history, and an ineffective method. After all, you have got to rule the people such as they are. The people will change the government before the government changes the people. Ignoring reality will not help any; neither will complaints and lamentations.

9761

**PAN Professor on Local Government Autonomy,  
City Problems, Economic Reform**

26000140 Katowice GLOS NIEDZIELNY in Polish  
15 Nov 87 pp 4-5

[Interview with Jerzy Regulski, professor in the Institute for Regional Politics at the Polish Academy of Sciences, by Krystyna Jagiello: "State Cities or Nobody's Cities?"]

[Text] [Question] What is local self-government?

[Answer] The obligatory association of the inhabitants of a particular area, city, town or region. Permanent residents elect their government. In our case, this is the people's council. The councils represent the residents and their interests. The basic goal of self-government is

to meet the needs of the local public. Self-government works as a part of the government structure and performs the functions defined by the constitution. It is senseless to accuse regional self-government and the state of being opposed to each other as opponents of self-government did at the time of discussions over the law on people's councils. If self-government is to be worthy of its name, it must have a high degree of autonomy and be largely independent of the central government.

[Question] Does territorial self-government exist in Poland?

[Answer] No, because cities and towns have no legal status nor any communal property. People's councils are regional organs of state government. The mayor of a village or city or a voivode are state officials who are appointed to their jobs.

[Question] How long has this system of government existed?

[Answer] It was introduced in 1950 by the law on united state government which was motivated by the needs of the beginning phase of socialist construction. The law obliterated the old traditions of self-government that had always existed in Poland.

[Question] Always? Since when?

[Answer] Since the Middle Ages. The Magdeburg Law formed the basis for the founding of cities in Poland and also for the growth of self-government. It is characteristic that the downfall of this law was one serious cause of the downfall of Polish cities in the 17th century. During the partitions, there was a fairly strong form of government in Prussia (with limited involvement of Poles) and a weaker one in Galicia. At the same time, bureaucrats enjoyed exclusive power in Tsarist Russia. Self-government returned to these areas of Poland after World War I. It is worth noting that at this time, the traditions of socialist self-government that the Sanacja fought so hard to control really flowered. In 1944, the Polish Committee of National Liberation issued a special decree on regional self-government but as I have already said, this was ended 6 years later.

[Question] What were the consequences of the abolition of regional self-governments?

[Answer] It caused social problems such as the loss of a feeling of shared interests and responsibility for public property among people living in the given area. Everything was state-owned and therefore nobody's. People stopped thinking that the costs of maintaining a building or any other municipal property was any concern of theirs.



Meanwhile, in the economic sphere, municipal property was deteriorating. There was no one to care for these buildings. After all, everyone knows that the most corrupt institution in Poland is the housing administration. Services are handled by the private sector all over the world but in the housing administration in Poland, a plumber has a full-time job!

[Question] What is the condition of cities in Poland?

[Answer] A tragic one. First of all, there is a shortage of several million houses. There is also too little plumbing, sewage lines and office space. Our cities are underdeveloped and in a poor state of repair. To put it briefly, they are falling apart. After the war, we were more committed to the development of industry than to the urbanization of our country. Our cities are set up for an extensive economy.

[Question] Who creates the city budgets?

[Answer] The local budgets are set by the voivodship. These budgets consist of the city's own revenue and funds allocated by the central government. City revenue is not that great and fluctuates because it is gained from real estate taxes and the amount of this tax is set by the central government. Therefore, the land tax which is some 10 zlotys per hectare is the same for a sawmill in Hajnowka and the Centrum department stores in Warsaw. The one tax set by people's councils is the dog tax. Therefore, the dog tax is different in each district of Warsaw. So local government could finally blow off some steam in making its own decision.

[Question] Is the amount of revenue contributed to the central budget by a city a fixed percentage?

[Answer] No, it is set as someone sees fit. The Finance Ministry arbitrarily decided that budget surplus funds from some cities could be freely given by the voivode on egalitarian principles to a poorer city. Therefore, this means that a city has no motivation to save money. Economic reform really makes it possible for local government to encourage enterprises that produce revenue. However, these enterprises have practically not at all come into being (there are barely a few of them) because bank credit is usually needed to start up an enterprise. The office of the mayor has no legal status, does not own property and, therefore, has no right to bank credit. A mayor has less power than the director of the city water and sewer department. Let the following example show what barriers this creates: all over the world, the ruling principle is that a city buys land, prepares it for construction and then sells it to investors. In Poland, the city authorities cannot buy land for the reasons given above (lack of legal status) and must go to the central government for funds.

For example, for many years it has been known that Warsaw will grow to the north toward Legionowo. However, the city could not buy this land 10 years ago when

it was very cheap. According to the law on local government, it can buy the land but this land has gone up in cost hundreds of times. It is not hard to see who makes the money here—the private landowners who take over the rent for the construction site, that rent having gone up due to the growth of the city and having therefore increased the city's costs. Stubbornly ignoring the fact that land has a price has made the land management system wither and made people forget about the basic economic laws concerning land. Poland's cities must recover their legal status and municipal property, that is, land and buildings must become the property of the cities rather than that of an anonymous state if our country is to achieve any further growth at all.

[Question] And how will economic reform help?

[Answer] The themes of the second stage of reform are, as I said, in full accordance with that. Work on means to implement these ideas is continuing. However, we must be aware of the fact that before there will really be the conditions needed by local self-government, there must be some nearly revolutionary changes made. This means changes in the Constitution and the Civil Code. Above all, there would have to be a change in the way both the state government and society think because every act of decentralization goes against egalitarianism. If local self-governments were formed, some would be rich and others poor. There would no longer be any automatic equalization of the standard of living.

[Question] When was the first work to create local self-government initiated?

[Answer] At the end of 1980. The first discussions were held as part of the "Experience and the Future" talks. In 1981, the themes for regional self-government were prepared and I myself worked on the economic themes. In the changed political conditions of 1981-83, our proposals were rejected as something that supposedly threatened socialism. This point of view has now been amended and that is something that should gladden us. However, we have a long way to go towards self-government. People have forgotten what that is. The entire organization of life in Poland contradicts the existence of self-government. Poland has been organized by places of employment rather than places of residence. It is absurd that nurseries, preschools and movie theaters are built by places of employment. This obscures the issue of thrift and economic efficiency. At the end of 1970, Lodz University did some studies that showed that in the surrounding provinces, 80 percent of day-care centers, more than 60 percent of clubs, more than 40 percent of movie theaters and nearly 40 percent of preschools were built by industry. Therefore, if there was a city in which the industry employed few women, there were also few preschools. Economic reform speaks out against this type of activity and says that industry will no longer be involved where they need not be involved.

[Question] If only someone would be involved.



[Answer] Exactly. If industry stops building day-care centers and no one else bothers, the citizens' situation will deteriorate. Therefore, the authors of reform should remember that people evaluate the effects of reform chiefly in the light of their own living conditions. Even the least thing done to improve people's lives will be seen as a positive effect of reform.

[Question] Thank you for the conversation.

12261

#### **Defense Committee Meetings Reported**

26000130a Warsaw TRYBUNA LUDU in Polish  
28-29 Nov 87 p 5

[Unattributed article: "Defense Committee Meetings"]

[Excerpts] The Katowice and Przemysl voivodship defense committees met to evaluate the state of public order and security in their regions. The Katowice Defense Committee noted an improvement in the situation due to a reduction in the number of certain common crimes and effective control of alcoholism.

12261

#### **Journalists View Human, Civil Rights Issues**

26000130c Warsaw TRYBUNA LUDU in Polish  
9 Dec 87 p 2

[Article by (b): "The Way to an Expansion of Civil Rights"]

[Text] The 10th anniversary on 10 December of the United Nations' Universal Declaration of the Rights of Man was the occasion for a joint discussion of the Polish International Writers Club and the SD Social and Legal Writers Club, "Poland and Human Rights". During this meeting, Justice Vice-Minister Jan Brol, chairman of the Polish delegation on the Human Rights Committee which in Geneva last year reviewed the Polish government's second report on the realization of the International Pact on Civil and Political Rights, shared with journalists his impressions of the course of the session. The committee received the Polish government's report. During discussion with the journalists, attention was drawn to the subject's relevance to the Politburo's report to the 6th PZPR Central Committee Plenum which clearly stated that "we have decided to go the way of expanding civil rights".

12261

#### **Catholic Role in Ecology, Social Aid Discussed**

26000130j Warsaw TRYBUNA LUDU in Polish  
5-6 Dec 87 p 2

[Unattributed article: "Forum of Catholic Social Thought"]

[Text] The latest forum of Catholic social and political thought which was chaired by Professor Jerzy Ozdowski was held in Warsaw on 4 December. The meeting participants were hosted by Professor Maciej Giertych, vice-chairman of the Polish Primate's social council and a member of the Council of Minister's Consultative Council. He shared his impressions of the 7th Extraordinary Assembly of the General Synod of Bishops in Rome in which he participated as an auditor. The Synod was chiefly dedicated to the creation and mission of lay persons in the Church and the world 20 years after the II Vatican Ecumenical Council.

When one looks at the church problems in other countries, he said, Poland is an oasis of peace.

The forum participants referred to the participation of Catholics in public life in our country and pointed out, for example, the possibility of expanding the welfare provided by persons connected with the Catholic Church to the ill and lonely, as well as the Church's educational function with ill-adjusted youth. It was also said that lay Catholics had participated too little in the ecological movement in Poland.

Ending the meeting, J. Ozdowski emphasized that the Synod expects Catholics to become involved in social issues.

12261

#### **Olsztyn PZPR Chief, Bishop Confer**

26000130e Warsaw ZYCIE WARSZAWY in Polish  
20 Nov 87 p 2

[Unattributed article: "Meeting of Olsztyn Voivodship's Political and Church Authorities"]

[Text] First Secretary of the Olsztyn Voivodship PZPR Committee Tadeusz Jelski and Olsztyn Voivode Sergiusz Rubczewski met on 19 November in Olsztyn with the diocese apostolic administrator, Bishop Edmund Piszcz. They discussed the problems of economic, social and political reform that the Polish public will have to resolve in the national referendum on 29 November. They stressed their belief in the universal need for reform. They also said that it is necessary to know that the realization of these reforms will require the constant, stubborn and lasting effort of the entire public. Changes in the public mentality and the stimulation of citizen initiatives will be needed to overcome the country's difficulties. It is very important to increase concern for the fate and living conditions of families, to take good

care of public property and give everyone a feeling of responsibility for the successful growth of their place of employment, region and nation.

12261

**Chelm Church, Party Officials Meet**

26000130f Warsaw ZYCIE WARSZAWY in Polish  
28-29 Nov 87 p 3

[Unattributed article: "Meeting of Voivodship Political and Church Authorities"]

[Text] Bydgoszcz Voivode Stanislaw Kubczak met the ordinary of the Chelm Diocese, Bishop Marian Przykucki.

At the voivodship government offices in Ciechanow, there was a meeting between First Secretary of the Voivodship PZPR Committee Kazimierz Paryszek, Ciechanow Voivode Franciszek Budzianowski, Suffragan of the Plock Diocese Andrzej Suski and General Vicar Prelate Ireneusz Kaczorek.

At the Wroclaw Voivodship government offices, First Secretary of the Voivodship PZPR Committee Zdzislaw Balicki and Wroclaw Voivode Janusz Owczarek met with Wroclaw Metropolitan Cardinal Henryk Gulbinowicz.

Basic social and economic problems in the voivodships and the nation were discussed during these meetings.

12261

**Cardinal Macharski, Economists Confer**

26000130b Warsaw TRYBUNA LUDU in Polish  
28-29 Nov 87 p 5

[Unattributed article: "Meeting of Cardinal F. Macharski and a Delegation of the Congress of Polish Economists"]

[Text] At the Metropolitan Curia in Krakow on 27 November, Cardinal Franciszek Macharski met a delegation from the Congress of Polish Economists [PTE] under PTE Chairman Zdzislaw Sadowski, Congress Chairman Professor Jozef Pajestka, Congress Vice-Chairman Professor Witold Trzeciakowski and PTE Secretary General Edward Getkowski. The metropolitan of Krakow was interested in the course of the congress and the state of Polish economic sciences.

12261

**Wroclaw PZPR Chief, Cardinal Meet**

26000130h Warsaw TRYBUNA LUDU in Polish  
4 Dec 87 p 4

[Unattributed article: "Meeting of Walbrzych Voivodship Authorities With the Ordinary of the Wroclaw Diocese"]

[Text] In Walbrzych, First Secretary of the Voivodship PZPR Committee Jozef Nowak and Voivode Wladyslaw Piotrowski met with ordinary of the Wroclaw Diocese, Cardinal Henryk Gulbinowicz. During conversations, they exchanged their views about the social and economic situation in the voivodship. They recognized the need for increased dialogue and contact and expressed their shared belief that this would encourage better use of all possibilities for the region's increased growth. They furthermore stressed the need for action to promote respect for law, improve the work ethic and control social pathologies, especially alcoholism.

12261

**Medical Books Gift From American Polonia**

26000130g Warsaw RZECZPOSPOLITA in Polish  
1 Dec 87 p 2

[Unattributed article: "Valuable Medical Publications a Gift from the Polish-American Community"]

[Text] The libraries of 10 medical academies in our country were enriched by the newest specialized publications thanks to the activities of the Polish-American organization "Friends of Poland" in New Bedford in the United States. In March, this organization presented nearly three million dollars worth of books. Poland has in the last few days received yet another gift, a set of more than one million dollars worth of medical books. On 30 November at the Warsaw headquarters of the "Polonia" Association, "Friends of Poland" representatives Walter Jarnot and Fred Szlapinski presented the books to medical school officials. The set includes often-unique publications in such areas as cardiology, pediatrics, oncology and surgery. Some of the publications were dedicated to the newest methods of diagnostics, anesthesiology, etc.

12261

**Student Lack of Interest, Program Failures, University Role Discussed**

26000127b Warsaw ZYCIE WARSZAWY in Polish  
9 Dec 87 p 3

[Interview with Antoni Dragan, chairman, National Council of Polish University Student Association, by Janina Paradowska: "To Sign Up for the Reform Program"]

[Text] [Question] Just before the start of the 13th Congress of the Polish University Student Association [ZSP], you can certainly look back over past years. And what do you see from your perspective? Has the organization of which you are chairman met your expectations?

[Answer] Unfortunately, I do have a feeling of dissatisfaction. From the perspective of the years that have passed, I can see that many issues could have been handled differently and still go unresolved. The ZSP is still a long way from fulfilling the expectations we had at the start of the current term of office.

[Question] Just how has it failed to meet expectations?

[Answer] The organization has not gained any strength nor has it opened itself up enough to integrate the academic community. Its program has not been able to directly work its way into the hearts and minds of nonmembers. It has also failed to meet our expectations because it still lacks the inner strength and determination that would make it really dynamic.

[Question] Is it the members, the program or something else entirely at fault?

[Answer] It would be really hard to pin blame. Every more or less successful action depends on people and therefore, the fact that many of these hopes have gone unfulfilled is something for which we ourselves are at fault. And the program? In a student organization, a program must always be somewhat universal in nature but on the other hand, it must also depend on the times and situation in which we live. Meanwhile, our own situation changed. The association has not been able to clearly write its own proposals into the reform program and become an executor of that program.

[Question] For an organization functioning within the community of young intellectuals, the opportunity was an almost glaring one. Have you missed it?

[Answer] I would not exactly say missed. It is hard to speak out for students without their full support. Let me give you one example. In the program for the last congress, we wrote that we are making a breakthrough in the entire set of issues concerning graduates so that graduation would no longer be a time of worrying about one's profession and future. Students extended their studies because of economic conditions. A full-time teacher makes about 15,500 zlotys and an engineer about the same amount. The best-qualified graduate can earn no more than 3000 zlotys more than that because the Labor Ministry has set up the regulations in such a way that a good education does not pay. We submitted many proposals for changes but unfortunately, we too easily gave in to arguments that there are more urgent issues, that others are more needy, that retired people are important and that someone starting out in life would just have to wait their turn. This is just where we lacked determination but at the same time, we did not feel that we were solidly supported by all students.

[Question] Were you helpless against arguments that something was a ZSP idea rather than that of all students?

[Answer] Sometimes. Nevertheless, the fact that we as an organization were unable to sign onto the reform program has an even deeper cause. The state of a student organization will always depend on the general situation in higher education. It is unfortunate that our universities are falling further and further behind the times. Documents on economic and social reform scarcely mention higher education. University studies no longer prepare students for new social roles. Reform activities are left up to individual initiative and study programs are aimed at nothing more than cramming a certain amount of knowledge into one's head. Often, that knowledge is even obsolete. For example, how are economics being taught these days? They use concepts and formulas that lose more meaning every day: crisis-prone capitalism and dynamic socialism. And what about the principle of balance between the different sectors of the economy, private property and analysis of crises? They present students with arbitrary outlines and just what do they contain? Just a set store of knowledge and nowhere is anything said about shaping attitudes, teaching innovation or individual interests or goals. Therefore, we have again been setting programs for programs and writing paper for papers. The same is true of educational programs. They are developed and then left on a shelf to gather dust.

[Question] Do you then believe that as long as schools are not serious about their educational activities, the ZSP will then find it hard to have much influence on economic life?

[Answer] Since universities as a whole do not shape attitudes, they will not promote a certain system of values and we will remain in limbo. It is not the role of a student organization to convey knowledge but to participate in the establishment of creative, innovative and active attitudes. Such an active function is now taken by the military schools and religious seminars. They do not face the dilemma of whether or not to educate because their instructors simply convey to the students a certain system of values. If the same were done in civilian schools, our proposals would be handled differently and would have their own clear place within the schools rather than on the sidelines. A student organization can be creative and dynamic if it is integrated into the life of the school and has the support of the teachers.

[Question] Do you not too often complain about the lack of support of school authorities? They are not the ones that give an organization its authority.

[Answer] These are not complaints but our own conclusions about the situation. If we look at ZSP's history since 1981, we can distinguish three clear phases. The first period was 1981-84, the time in which the association was created under conditions in which people claimed that no such organization was needed because self-government alone was sufficient. In 1984-86, school authorities took a more neutral and sometimes even

friendlier attitude toward us but we did not have the support of teachers. The present term which started this year with the election of ZSP officers in the schools has been marked by the direct commitment of the leadership at particular higher schools and sometimes even their support of our initiatives. I think that after so many years, we can obviously see what the lack of a strong student organization has cost us.

[Question] What you have said so far makes it sound like you wish you could build up the organization on the authority of others rather than your own.

[Answer] We are not trying to gain support through the authority of others. I have shown the evolution of the attitude toward ZSP in order to say that if now, following the congress and the elections, the ZSP offers students a really open, dynamic and interesting organization, it can overcome the continuing inertia and help integrate and enrich university life. There is no doubt that life is poorer now than ever and that there is not a good climate for real study in the schools.

[Question] Did such an offering that would put ZSP on a better footing among students originate during pre-congress discussion?

[Answer] It is of course the congress that will decide the final shape of the program. We have only prepared the foundations for a program and drafts of certain documents. Our proposals include solutions for an entire set of graduate issues, above all, the advancement of the best graduates. For example, we want to use the income that we ourselves have produced to promote the best diploma work done by students at technical schools. This year, for example, the Sylwester Kaliski award was given to a student of Gdansk Polytechnical Institute who built a device that saves much more diesel fuel in engines than the famous little Kowalski turbine. No one took any interest in this invention and we have now taken up the matter with the Bureau for Scientific and Technical Progress and Activation. For the future, we hope to found our own small invention and development enterprises in which the best graduates will work and to sign agreements with industry. The second issue that we want to seriously address (and discussion of the subject must be directly concentrated in the schools) is the formulation of an evaluation of why we are studying worse than we could and why we fail to see our opportunities in better study results. The third issue is closely associated with the entire reform process in Poland: we want to build or restore new types of associations, movements and clubs that can create a field for serious discussion. It is undeniable that the academic community is diverse but I think that it is through open political discussion that we should reach common grounds and present them on a broader forum than that offered by the higher schools. The great weakness of our schools lies in the fact that they do not hold open discussions for comparison of ideas. Someone belongs to the party while another is

active in the school religious ministry. Others meanwhile pass indifferently in the corridors and do not even try to talk with one another about their ideas enough to find a common goal.

[Question] The ZSP has already tried with little success to organize discussions.

[Answer] We tried to do this before the 10th Congress and few people showed any interest. In order to start a discussion, it is necessary to have one's own clear position on the issues most important to the community and country. I hope that we will have such a position after the congress and that our organization will call out for a program of radical reforms. That would be a good starting point.

[Question] Most students now see the ZSP as a social organization and deny that it represents the entire academic community.

[Answer] That is a confirmation of the fact that the ZSP has achieved most in social matters, tourism and culture. This is the traditional sphere of our activities and has gotten the association through its worst moments. We cannot disregard this area in the future nor can we limit ourselves to just those activities. The association sees its postcongress opportunity in all forms of work, in the enterprises where young intellectuals will work, in bringing about changes in all forms of education and didactics and in promoting quality work over mediocrity. The ZSP wants to find its place in our country and fulfill that role. We want to achieve that on our own and not by going along with what others think up.

12261

**University Student Association Membership,  
Affiliates Reviewed**

26000127a Warsaw TRYBUNA LUDU in Polish  
10 Dec 87 p 2

[Article by (L.P.): "Almost Everything About the ZSP"]

[Text] This organization includes 64,000 young people from 92 higher schools and teachers colleges. It also operates in 6 socialist countries at universities in which Polish students study. Some 54 percent of all members are women. The association's charter states that it was formed to meet the needs of the academic community.

University candidates become involved in ZSP [Polish Student Association] activities. The ZSP organizes university preparatory courses, prepares sets of entrance examination questions and representatives of department councils take part in the entrance examinations.

When a young person makes it through the screen of entrance examinations and becomes a student, he or she then becomes more familiar with the organization. In the beginning, orientation camps for the "zero" class are

organized. ZSP activists usually prepare a rich program for such camps. These include meetings with the lecturers under whom the student-candidates will later study. There are also discussions with government representatives and activists of social and political organizations. Often, if one of the "class zero" camps is successful, its participants join the ZSP.

Some 17 percent of first-year students are in the ZSP. By the 5th year, this figure rises to 23 percent. The highest membership percentage, 30 percent, is found among the students of polytechnical institutes. Second place (28 percent) is held by university students while the lowest membership rates (about 3 percent) are found at physical education academies and art schools. It is in the latter set of schools that only the germ of an organization has been created.

The ZSP also has its own departments involved in tourism and in cultural and economic activities.

"Alma-Press", i.e., the Student Publications Office, publishes booklets addressed to young intellectuals and students. It specializes in social and political material, science fiction and adventure literature. Its science fiction department promotes young new writers in publications like the "Anthology of Debuts, 1983-84".

The "Student-Service" Bureau is chartered to organize production, business and service activities and make it possible for students to earn money. It has already been operating for nearly three years. It specializes mainly in repair and construction services. Regardless of age and level of education, students, graduates and specialists can work for "Student-Service" which presently employs about 30,000 persons.

Almatur, the ZSP Travel and Tourism Bureau has existed for 31 years and offers its services to all students. It is a member of various international youth and student tourist organizations. About 100,000 students take part each year in events sponsored by Almatur. In 1987, Almatur sponsored trips to socialist countries for about 37,000 students and trips to capitalist countries for another 6000. Most of its activities involve qualified tourism such as study-related trips.

"Alma-Art", the ZSP Academic Bureau for Culture and Art, promotes student culture. It has been the organizer of the well-known "Fama" Academic Youth Art Festival and also organized the first Student Culture Festival which was recently held in Katowice. It is presently preparing for the Student Song Festival in Krakow and the "Film Outside of the Cinema" festival in Wroclaw.

The Polish Student Association's congress will be held on 10-12 December to discuss problems of the academic community, summarize ZSP activities over the last two years, set a program for the upcoming term and elect new officials.

12261

### **Bloc Holds Work Brigade Conference**

26000130d Warsaw TRYBUNA LUDU in Polish  
9 Dec 87 p 2

[Article by (Krys): "Work Brigade Systems"]

[Text] An international conference dedicated to an exchange of experiences in promoting brigade work and wage systems began in Warsaw yesterday. The conference was patronized by a member of the Council of State, Professor Sylwester Zawadzki, and organized by the Executive Board of the Scientific Society for Organization and Management and the Permanent Commission of the Federation of the Scientific and Technical Associations of the CEMA Socialist States.

More than 130 participants from Bulgaria, Czechoslovakia, the Soviet Union and Poland will spend three days discussing the value of the new forms of work and the system's shortcomings. The program will include a presentation of reports, an exchange of views in problem task forces and visits to workplaces.

12261

### **Stereotype Worker Views on Private Sector, Economy Challenged**

26000154 Warsaw POLITYKA in Polish  
No 4, 23 Jan 88 p 4

[Article by Jacek Poprzeczko: "State-Owned or Ours?"]

[Text] What do the Polish workers think about the private sector, changes in ownership arrangements in the state sector and the infusion of foreign capital to our economy? Diligent scientific investigation of their opinion yields results far removed from the common stereotypes.

Particularly noteworthy are the results of research recently carried out by a team of SGPiS [Main School of Planning and Statistics] scientists (Prof. Marian Guzek, Prof. Marek Ziolkowski, Dr. Jozef Biskup and Dr. Jerzy Kur) in two large enterprises: the Warsaw Iron and Steel Mill and the Poznan H. Cegielski Enterprise. The authors have made an ambitious attempt to gauge the response of public opinion to the changes, already made and possible, in the model of Polish economy.

In doing so, they proceeded from the assumption that none of the models of the socialist economy known from practice to date ensures the necessary level of economic efficiency. This is the case not only with the command-and-allocation system, but also with decentralized arrangements, as evidenced by the experience with the Yugoslav self-government-and-market and the Hungarian manager-and-market models. Nor is it possible to simply transplant the solutions proven under capitalism to a socialist economy.

### Questions for the Sample

Therefore, we are facing a very difficult, but also promising situation in which we have to look for new solutions. Changes in ownership arrangements are of key significance in this matter. At issue is not only the role and scope of the private sector (including foreign capital), but also, and even first and foremost, changes in ownership arrangements in the socialized sector which would improve its economic efficiency. This brings up many other important issues. How is a market mechanism to function in a socialist economy? Where is the limit to state intervention in economic processes? How are the principles of social justice to be implemented?

Looking for answers to these questions, the SGPIs team developed certain hypotheses and proposals for solutions and subsequently submitted them to evaluation by the workforces of the enterprises mentioned above in the form of a survey. Research of this nature, co-sponsored by the Jagiellonian University and the Polish-Polonia Chamber of Commerce along with the Warsaw college, will be considerably more extensive and will embrace other enterprises and communities. You cannot overestimate its significance, because, as the authors note, acceptance by the populace is going to play an increasing role in drafting and introducing changes in the economy.

In the Cegielski enterprise, the questionnaire survey was carried out in September of last year; 214 persons responded to the questions. At the Warsaw Iron and Steel Mill, 201 persons responded in October. Respondents were chosen at random so as to have all basic professional groups represented. Workers dominated among them. Therefore, the authors state that the overall results of research reflect primarily the consciousness of workers. Data on the respondents (among others, sex, age, education, position held, party affiliation, religious involvement) were compared to the national average. This comparison showed that from the sociological standpoint the workforces of the two enterprises adequately represent the working class of large industrial enterprises. The questions were formulated in a way making possible a comparison with the results of earlier sociological analyses "Poles'80" and "Poles'84" and surveys of the workforces of large industrial enterprises (among others, the steel mill and the Cegielski enterprise) in 1984.

### A Worker-Shareholder

What view of various forms of ownership do the workers take? In general, they are not in favor of either the so far dominant in our industry centrally managed state property or (in this matter, the responses were the most emphatic) classical capitalist ownership (private owner employing hired labor). This confirms previous observations by sociologists that workforces of Polish enterprises by and large support the self-government model of economic organization.

It follows from a comparison with previous analyses that the vision of this model is changing. Specifically, the concept of state-employee ownership created by purchases of shares or participation in the assets of enterprises is gaining in importance.

This is a very significant change. The conviction that self-government means the right to manage state-owned assets used to dominate in both theoretical considerations and the public consciousness. However, the experience gained (including that in other countries), scientific analyses and recent discussions make it increasingly clear that this is not enough to ensure economic efficiency of autonomous enterprises. To be effective, new forms of management must be associated with changes in ownership arrangements.

The authors of the project in question submitted the draft of such changes to workers for an evaluation and obtained interesting results. Three-quarters of those surveyed came out in favor of introducing new forms of state-employee property instead of the currently prevalent centrally managed state property. Also, three-quarters acknowledged that such new forms should be based on the workforces participating in assets, and more than one-half agreed that outside persons should be allowed to purchase enterprise shares.

Therefore, both the search by theoreticians and the state of the social consciousness point to the need for fundamental transformations in the state sector. From the standpoint of the prevalent form of ownership, it should become a state-employee sector, in which large and small enterprises will exist in the form of companies with employees and outside persons contributing to the assets.

### A Different Self-Government

Can the employees really become co-owners if contributions from the workers' pockets (even if the state furnishes credit for purchasing shares) may as it is account for only a small percentage of enterprise assets? Besides, will participation by nominal co-owners in managing the enterprise be genuine? The authors of the research project who raised these issues state that it is necessary to look for new organizational forms of enterprises. They also submitted a specific project for evaluation by workers—a dual participation company, in which the status of a co-owner is granted not only due to contributions to assets but also due to labor input. Under this arrangement, employees would share in company profits instead of receiving salary and bonuses. As far as management is concerned, as shareholders they could have a representative organ, a board of trustees of sorts, and as contributors of labor input—another organ, i.e. a council of partners. A combined representation by the two councils would become a new type of self-government.

Sixty percent of those surveyed agreed that this draft arrangement conforms to the fundamental principles of the Polish economy. Eighty percent were in favor of introducing such as arrangement in small state and cooperative enterprises. 75 percent—in foreign enterprises operating in Poland, and 52 percent—in large state-owned industrial enterprises.

### **National and Foreign Capital**

How are other forms of ownership and their role in the Polish economy evaluated? In the opinion of a majority of those polled, the private sector in its present form should continue operating in crafts, small-scale industry and retail trade. However, ownership arrangements appropriate in those sectors are not, in their opinion, adequate for wholesale trade, insurance institutions and banks, and especially the heavy industry.

Concerning foreign enterprises operating in Poland, 80 percent of those surveyed approved of their existence, despite the prevailing opinion that the quality of their products is below average, whereas prices are higher than average. These enterprises would operate better if there were more emphasis on the following factors (in order of significance ascribed to them by those surveyed): competition, saturation of the market, raw material supply, supervision by the state. Only about 25 percent of people in the survey are in favor of selling stock in Polish enterprises to foreign buyers. A considerably greater group of those in the survey, about 50 percent, would allow investment of foreign capital in mixed companies.

Cooperative form of property was acknowledged to be important, but only as a supplement to the state-employee sector. In Poznan, support for the cooperative form was twice as high as in Warsaw, which is obviously due to the strong tradition of cooperatives in the former area.

With regard to agriculture, a majority of those polled were in favor of developing large family farms with an average of up to 100 hectares. A very small percentage of people in the survey support socializing agriculture.

### **Egalitarianism Is Losing Support**

In light of this, what is the general outline of ownership structure in the Polish economy? State-employee property should, in the opinion of those surveyed, be the dominant form. Private (family) and cooperative property should complement it. "Exclusively state" property should be restricted to the economic sectors of particular significance to the economy. Finally, "exclusively capitalist" property may be but of marginal importance.

What role should the state play in the economy? The authors write: "The communities surveyed do not desire either the system of state monopoly on the means of production and the exclusive role of the state in managing them or an uncontrolled market mechanism. Nor do

they desire a so-called mixed system based on a combination of these two elements. Instead, they support solutions which require effective economic measures by state authorities, able to skillfully steer various forms of the market, including new ones, control the course of economic processes and influence the social situation of various social strata."

Almost 90 percent of respondents at the two enterprises supported the principle of pronounced differentiation in wages commensurate with the level of skill and labor input. About 75 percent came out in favor of dismissing those who do a bad job. Answers to other questions, when compared to the results of earlier research, bring us to the conclusion that support for the simplified notion of egalitarianism is declining markedly. For example, a majority of respondents reject the policy of restricting the income of those with the highest earnings. At the same time, an overwhelming majority are against the state reducing funds for aid to those less well off. The principle of full employment enjoyed relatively high support (61 percent).

### **To Socialize or To Reprivatize?**

In formulating the outline of a new economic model and submitting it for social evaluation, the researchers undertook a very important and currently vital task. If a genuine turnaround is to occur in the Polish economy, changes in ownership arrangements will undoubtedly be required, primarily in the state sector, which is the most important in our economy.

Apparently, few will now object to the statement that nationalization of property cannot be equated with socializing it. What specific forms should this socialization take? Can it indeed assure higher economic efficiency at the level of an enterprise and throughout the economy? After all, an increasing number of people now believe that a straightforward reprivatization of property would yield the best results (however, judging by the outcome of research, such people can hardly be found in workforces).

This brings up one more issue: isn't the sale of shares to employees a form of reprivatization and, ultimately, a quite naive concept of "parcelling out" large-scale property which, after all, cannot be actually managed by a crowd of people? Isn't the support for the concept of "state-employee" property found by the poll simply a result of unfamiliarity with the rules of economics?

Along with the researchers, I concur that this support is mainly a manifestation of employees in Polish enterprises setting their sights high, not only on a better financial standing, but also on being coequal owners, on transcending the role of hired labor. Can such aspirations be realized in a large industrial enterprise? Can they be reconciled with the rules of efficient management?

The idea of looking to this end for new organizational forms of enterprises is undoubtedly correct. The concept of a dual-participation company appears interesting from this standpoint. We should strive to test it in practice as soon as possible. To be sure, various specific arrangements are possible, but the very idea of tying the status of co-owner to labor input is valuable. It is a result of economic considerations, and at the same time it draws on a system of values of which work is the foremost.

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### **Details of CBOS Poll Showing Pessimistic Social Mood**

26000155 Warsaw *POLITYKA* in Polish  
No 2, 9 Jan 88 p 3

[Article by Jerzy Baczynski: "A Low Before a High?"]

[Text] An old resurrected joke is making the rounds in Warsaw. What kind of year is 1988 going to be? Answer: average, that is to say worse than 1987 but better than 1989. Stanislaw Kwiatkowski, director of the CBOS [Center for Public Opinion Research] recounted this joke while discussing on TV the results of a survey of the Poles' mood on the eve of a new year. The public mood before last Christmas could be described by the following statement: it is not good, I wish it would not get any worse. As the CBOS surveys suggest, this time the opinions and predictions are more gloomy: it is bad, and it is going to get even worse. At the carnival this time, black garments should be mandatory.

However, this ubiquitously affirmed pessimism has different tints and motivation. Sometimes it appears to be a cover for timid hopes. This brings to mind a story for children in which one of the characters steadfastly repeated in every situation: no way is this going to work. Clearly, we have a strong inclination to be fatalistic, as shown by almost all questionnaires and polls. It is always better to predict the worst. In our situation, it is optimism that is risky. This offers us little solace...

Surveys of the public mood have been done by the CBOS for 4 years now. Possibly, similar reports were prepared before but for "restricted use" rather than public consumption. However, since we now have access to survey results, "poetic license" no longer applies to estimating the social climate. We ought to adhere to the facts even if we question the full adequacy of sociological methods in detecting emotional nuances. Unfortunately, the facts are not pleasant.

### **Feeble Hopes**

The respondents felt that the year 1987 was worse for our country than previous years. Only 24 percent of those polled gave it a positive evaluation. The Poles manifest plenty of dissatisfaction and apprehension about the immediate future. Almost one-half of the populace

expect the new year to be still worse (in 1986, only 17 percent made such a prediction). Hopes that the situation will improve are voiced by 17.4 percent of the Poles, whereas 2 years ago almost one-half were optimistic. As many as 80 percent are aware of the threat of significant social conflicts. Is our collective feeling of well-being indeed that low?

In order to evaluate the responses more precisely, we should note the time when the CBOS carried out the survey. It was done 10 days before the referendum [of 29 October 1987], immediately after the guidelines for the price policy were released, and, therefore, at a time of panic in the market and concern with the magnitude of suggested [price] increases. (A simultaneous promise of full cost-of-living adjustments failed to impress the public). At the time, the public mood probably hit the bottom ("a low before a high"), which was confirmed to a degree by the results of the referendum.

Both active and passive protest by a considerable part of the populace against government propositions certainly owed more to emotional rather than rational factors. This is how a major part of foreign observers interpreted the referendum: the "danger situation" itself, the vision of real deterioration in the standard of living in exchange for hazy promises of an improvement was rejected rather than the program of economic and political reforms. The unloading of cash towards the end of the year and panic buying of all goods were proof that appeals for calm and arguments of the authorities had been ignored. It must be unpleasant that out of the entire "reform package" it was mainly the item "[price] increases" that sunk into the public consciousness.

I do not have at my disposal the results of more recent public opinion surveys in order to ascertain whether the "post-referendum" reductions of projected price increases made the general mood better. However, I do not think that any significant change in the matter has occurred. The feeling that the time of the expected price adjustment is inescapably approaching is bad enough. The fact that the magnitude of increases is smaller than originally intended is more important for the minister of finance than for citizens. A lot of verbal gymnastics is needed in order to be happy about 30, 50 or 100-percent price increases for individual goods being 20 percent lower than the ones laid down in some document. I mention this because from the standpoint of public mood "the bad thing has already happened," and further drawing out the state of uncertainty and suspense will not improve this mood. Just the opposite.

### **Neither Money nor Goods**

Let us return to the survey itself. It confirms that the public mood is shaped primarily by the condition of the economy. Compared to previous years, no fundamental changes have occurred in the self-evaluation of private and family life by the Poles. In general, we are satisfied in our personal lives (only a dozen percent claim that



something in that sphere went wrong for them last year). Our views of the world situation also improved greatly, despite the poll having been taken prior to the Gorbachev-Reagan summit. In the course of the year, the share of those taking a positive view of changes in the world grew from 14 to 30 percent, and the share of negative views declined from 37 to 16 percent. Therefore, our private lives are relatively stable, the global environment is better, even the political situation in our country is "not bad"—it is the economy that poisons our lives.

Seventy percent of the Poles believe that our economic situation is bad or very bad (in December 1984—40 percent). Young people in the 25 to 34 years age bracket, the so-called non-technical intelligentsia and retirees take the most critical view of the economy. Representatives of the youngest generation (under 24 years of age), technical intelligentsia, skilled workers and the private sector are more moderate in their views (about 25—27 percent of them indicate an improvement in the economic situation last year); however, in these groups as well, negative evaluations dominate overwhelmingly.

Certain differentiation in opinions about the economy is very definitely due to the financial situation of individual social groups. Young married couples, intelligentsia and retirees feel the relative shortage the most. People earning high—by our standards—income (the private sector, skilled workers), a segment of the engineer cadre and young people still supported by their parents are inclined to be more optimistic.

In general, however, hardly anybody is satisfied with his standard of living. Only 7 percent of the adult population in our country consider it good. In the opinion of 60 percent of those polled, the standard of living of the Polish populace is falling. Widespread dissatisfaction with wages (74 percent consider them "low or very low") is explained by the failure of growing incomes to offset price raises. Eighty-three percent of families state that they are able to purchase less goods than a year ago with their current income.

Supply of non-food consumer goods causes special aggravation (75.5 percent describe it as bad). The food supply is somewhat better (44 percent had negative opinions, 21 percent—positive). As recently as August 1987, only 30 percent of the populace believed that the supply situation had worsened; a majority (66 percent) believed that it is "the same as it was or somewhat better." In November, the proportions were almost the reverse—as many as 56 percent of those polled acknowledged growing strains in the market. For a majority of households, the shortages of money and of goods are equally difficult. Fifteen percent of families believe that at present, despite everything, money is easier to come by than goods, while 26 percent say that indeed there are things to be purchased, but no money to pay for them.

Most often, people estimate their own financial situation to be average (48 percent), similar to that of the entire populace (37 percent believe it is worse than average and 21 percent—better than average). In November, average declared per capita income in families amounted to 18,000 zlotys. Given the current high price environment, this, in the opinion of respondents, is only enough to meet basic needs.

In the opinion of those polled, per capita income in the family should come up to 26,700 zlotys in order to support a relatively decent lifestyle (which still requires certain sacrifices). A well-to-do lifestyle without major sacrifices could be supported by incomes on the order of 44,000 zlotys per capita, i.e. almost 2.5 times greater than the ones currently received. These numbers show how intense is "the feeling of being poor," of living on the brink of a "socially acceptable minimum." Therefore, the prospect of having to tighten your belt and seeing your real income drop must cause concern and protest.

#### "The Climate of Tension"

Research by the CBOS has unequivocally shown an appreciable increase in social tension. Between August and November of last year, the share of persons viewing the populace as quiet decreased from 42.6 to 13 percent, whereas the share of those seeing considerable disquiet increased almost twofold (from 44 to 82 percent).

Evaluating the social climate, almost 90 percent of those surveyed checked off the following definitions: fear, uncertain future, general dissatisfaction, lack of belief in any improvement. Notably, indications of resignation and submitting to fate decreased by one-half at the same time (from 22 to 11 percent).

Responding to the question "Is a major explosion of open social conflict possible in Poland within the next several years?", only 18.2 percent said that there is no reason for it. However, among the remainder, only 14 percent are convinced that such a conflict is inevitable. A majority believe that, despite the persistent environment of high tension and discontent of the populace, an open explosion will not come about because "people are too tired," "there is no hope that protests would change anything," "they are afraid to get involved in politics." Young people in the 25 to 34 years age bracket are the ones most confident that "an explosion of discontent" is possible.

The cause of an eventual conflict was seen by 78 percent of the respondents in the financial situation of the populace, primarily in price raises and the dropping standard of living, and more rarely in low wages, erratic supply, general crisis and lack of economic stabilization in the country. As few as several percent of the respondents pointed to eventual political background of conflicts. This I would like to stress emphatically. According to the survey and despite much common knowledge, the

political situation in our country is seen as incomparably better than the economic one. Only a dozen or so percent state that the political situation is bad (this share came down considerably after June of last year, that is to say, the visit by the Pope); 40 percent of those surveyed consider the political climate to be good and as many consider it "neither good nor bad." To be sure, some deterioration in the political situation is expected in 1988 (25 percent of respondents). However, as many as three-fourths of those surveyed believe that it will remain unchanged or even improve somewhat. Despite slow growth in the share of pessimists in this sphere as well, political issues are definitely taking a back seat to the economic ones. In the political sphere, "the cadre policy" got the highest negative rating (50 percent); 46 percent made unfavorable statements about participation by citizens in making important decisions. About one-fourth of the respondents criticized the information policy and observance of civil liberties.

### What Is the Government Doing?

Such primacy of economics over politics is seen in the attitude of the populace towards the authorities. The government is rated primarily on achievements (or lack thereof) in the sphere of financial conditions and more rarely on the political situation in our country. As one might guess, a negative view of the government's work is taken. Since December 1986, opinions of the government of Prime Minister Messner have become more negative. The positive rating dropped from 43 to 27 percent, while the negative rating increased to 35 percent. The share of those saying that "the government has neglected as much as it has accomplished" increased from 16 to 21 percent.

In April 1987, immediately after price increases, two-thirds of those surveyed expressed reservations about the competency of the government and its policy. In November, 80 percent did so. The lack of progress in the economy was criticized most often. Inflation, growing prices, lack of equilibrium in the market, the unsolved housing problem and lack of persistence in combatting antisocial behavior and streamlining management were mentioned.

Somewhat paradoxically, the release of the guidelines for the second stage of the economic reform did not improve the opinion of government actions; the opposite was the case. The reform was perceived primarily as a promise of further price increases, which more than one-half of those polled believe to be a result of erroneous economic policy by the authorities. In their view, it is hardly credible that a healthier economy is possible within 2 to 3 years to come. Only 7 percent of the citizens believe that the reform will be successful. More than 17 percent are convinced that reformist intentions will inevitably fail, and almost two-thirds consider the results of the reform "highly uncertain."

A detailed breakdown of social views on the outcome of the reform is interesting. Older people (over 60 years of age), including retirees, farmers, and primarily the technical intelligentsia display moderate optimism. Young people (including students), unskilled workers (only 3 percent believe in the ultimate success) and members of the private sector are the most pessimistic. Members of the PZPR expect success twice as often as members of other political parties.

Indirectly, a negative view of the reform is a consequence of lacking confidence in the authorities and suspicions. Only 28 percent of those polled say that they trust the authorities (despite having various reservations about their policies), and an equal share say that they do not trust the authorities on anything. The most numerous category (36 percent) have no confidence in the authorities, but believe in their good will. Belief in the good will of the authorities causes the overall evaluation of the government to be very mixed. As I have already said, about 80 percent of those polled made only negative statements about the government. However, asked whether the government of Prime Minister Messner serves the populace well and acts in keeping with its interests, almost two-thirds of those polled said "definitely yes and probably yes." The view of the prime minister personally was equally good. Therefore, the attitudes appear to be more or less as follows: the government is well-intentioned, it does what it can, but little of it works out, especially in the economic sphere. The reform boils down primarily to further price increases and threats to the financial survival of families. Positive consequences of reforms are not very likely...

### Neurotic Reactions

Let us consider the upshot of the research described above. The public mood on the eve of the new year is bad. Pessimism and low spirits dominate, and at the same time the populace is "fired up" by the promise of higher prices. The first question is: what conclusions will the authorities draw from this research? Undoubtedly, perusal of the CBOS report by the authorities may reinforce their feeling of uncertainty and apprehension about the lack of social acceptance for the proposed program. Even if the risk of an explosive open conflict on a greater scale is limited, local and community-wide conflicts are possible, which under our conditions will be extremely hard to quell. Therefore, while introducing price increases, we are testing the limits of public endurance. Reasonable government proposals on economic and political reforms cannot neutralize the discontent and social tension.

The second question: should the authorities respect the public mood and, if yes, to what degree? Going along with the mood would in practice amount to a paralysis of the administration. Besides, as research shows, the mood happens to change a lot. Over the last year alone, evaluations of the situation and of prospects for the country fluctuated from month to month by 15 to 20

points. They deteriorated after the April price increase, improved after the papal visit, deteriorated yet again after the guidelines for the second stage of the reform were released, somewhat improved immediately before the referendum and certainly after it. Movement of the indicators of "social tension" was similar. A psychologist would describe such abrupt mood swings as neurotic reactions. Indeed, one does not need sociological research to learn that the populace is tired, neurotic and exasperated. Under the circumstances, a quick, resolute action appears preferable to prolonging the state of tension. It would be bad if we ignored the social mood, but it would be worse yet if we passively went along with it.

The fact that the populace psychologically expects the worst is, strangely enough, an advantage of sorts. If we manage to overcome the price hurdle relatively smoothly and the market supply improves somewhat, the current gloomy mood can change. There is strong desire for something to finally work out, even if we keep telling ourselves—no way is it going to work.

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## ROMANIA

**Changes in USSR, Bilateral Relations Discussed**  
27000033 Bucharest ERA SOCIALISTA in Romanian  
No 20, 25 Oct 87 pp 30-32

[Article by Vasile Buga: "The Soviet Peoples in a New Stage of Socialist Society's Development"]

[Text] This year the Soviet peoples and the democratic and progressive forces everywhere are celebrating the 70th anniversary of the Great October Socialist Revolution, an event of critical importance in the history of mankind that marked the formation of the first workers and peasants state in the world and opened the way to construction of the new, socialist order on one-sixth of the earth. The victory of the October Revolution also had a wide international impact, as it inaugurated the era of proletarian revolutions and mankind's transition to socialism and encouraged the struggle of the peoples on all continents for social and national liberation and a free and worthy life.

The Great Socialist Revolution in October 1917 was a brilliant culmination of the struggle of the working class and the masses in Russia under the lead of the Communist Party of Bolsheviks headed by Vladimir Il'yich Lenin to abolish exploitation, oppression and any forms of subjugation or humiliation and to build a new, better and more just society. Thanks to the triumph of the revolution, for the first time in history the political and economic power passed into the hands of the free and self-determined working people, and broad prospects were opened up for rapid elimination of the backwardness inherited from tsarism and for the advance of the Soviet state on the path of material and cultural progress.

The victory of the October Revolution confirmed the correctness of the policies formulated and promoted by Vladimir Il'yich Lenin. Upon careful study of the actual conditions in Russia, with their profound and irreconcilable contradictions, he creatively applied and developed Marxist revolutionary thought and the principles of scientific socialism. This was strikingly reflected in the formulation of the theory that a socialist revolution is possible at first in one country alone.

The revolution unleashed the creative energies of the masses, put them to work to build the socialist order and inspired them with courage and confidence in the bold undertaking of building a new world, unprecedented in history. It proclaimed the nations' right to freedom and self-determination and put an end to unjust relations among the various nations and nationalities throughout the country. Meanwhile the Decree on Peace, one of the first vital actions of the Soviet power approved by the Second All-Russian Congress of Soviets and a historic document with a wide response among the peoples and profound implications for international affairs, fulfilled the vital aspirations of the oppressed masses in tsarist Russia to end the imperialist war.

As we know, construction of the new order began under the terrible conditions of economic chaos and heavy destruction caused by the war, to say nothing of the obstinate opposition of the classes turned out of power and of the reactionary forces, as well as imperialist intervention. At the cost of great sacrifices the working class, closely allied with the peasantry and the other workers, succeeded in defending the Soviet power and consolidating the young socialist state's position, under the CPSU's lead and with international support and solidarity. In a historically short time, the foundations were laid for a strong industry, many new towns and enterprises were built, and major progress was made in training qualified personnel able to meet the demands of socioeconomic development. The revolutionary reforms also included the villages, which were in a very backward state in the years of the tsarist regime. Socialism opened up new horizons and broad prospects of progress and civilization for agricultural and the rural workers. A radical cultural revolution was one of the major gains of the Soviet power, and it abolished illiteracy and created real possibilities for the masses' access to the values of science, art and culture, all of which helped to form and develop advanced socialist awareness. Through the heroic efforts of the Soviet peoples led by the CPSU the victory of socialism was secured, national socialist industrialization and socialization of agriculture were accomplished, and major progress was made in scientific, technical and cultural development and in raising the workers' material and cultural living standard.

The new order successfully passed the hard test of confrontation with fascism in the years of the Great Patriotic War. Proving their matchless heroism and at the cost of enormous sacrifices, the Soviet peoples made a telling contribution to the defeat of the Hitlerite war

machine and to the victorious battle for mankind's liberation from the threat of Nazi enslavement and won the whole world's well-merited recognition.

In the postwar years the Soviet people succeeded in making new and important progress in socioeconomic development and in bringing their country up to qualitatively higher levels of progress and civilization. Now the Soviet Union figures as a strong socialist state with a modern, developed economy, a first-rate technical and scientific potential, and notable achievements in all activities. Compared with 1917, the national income has increased by 143 times, the industrial output by 318 times, and the agricultural output by 5.3 times. At the end of this year the Soviet Union's national wealth will amount to 4 trillion rubles, or 50 times greater than in 1913. The Soviet Union now produces one-fifth of the whole world's industrial output compared with less than 3 percent in 1917. The workers' way of life has changed radically and their living standard is higher. Compared with the period before the revolution, the workers' real incomes per person have increased by 12 times and those of peasants by 10 times. In the years of socialism, a total 4 billion square meters of housing have been built and public medical care has been greatly improved. A real qualitative leap has been achieved in science, culture and education. Over 108 million persons are in some form of education today. Compared with about 12,000 scientific researchers in Russia before the revolution, 1.5 million persons are now working in that sector in the Soviet Union. The Soviet Union's noteworthy achievements in a number of important fields of advanced science and technology, such as the peaceful conquest of outer space, for example, enjoy widespread international recognition.

By virtue of its outstanding successes in all economic and social fields and in building the new order, its vast economic and technical-scientific potential, and its policy of peace and international collaboration, the Soviet Union plays a vital part in current international affairs. The successes of the Soviet Union and the other socialist countries in socialist construction and socioeconomic development are major contributions to consolidation of the forces of socialism, progress and peace and to demonstration of the viability and superiority of the new social order.

An extensive process of reorganizing the entire economy and society began in the Soviet Union after the Plenum of the CPSU Central Committee in April 1985 and especially after the 27th Party Congress. Because tendencies to stagnate and phenomena foreign to socialism appeared and unsolved problems accumulated in Soviet society in the late 1970's and early 1980's for some objective and subjective reasons, the CPSU started a series of measures to eliminate the unfavorable situations and to accelerate socioeconomic progress by restructuring the economic mechanism, developing socialist democracy, and making a better life for the workers.

The strategy of accelerated socioeconomic development of the USSR, outlined by the 27th CPSU Congress and the subsequent plenums of the CPSU Central Committee, is intended to raise the growth rates of the economy, to start intensive economic development especially in the peak sectors, to apply the latest advances of the technical-scientific revolution on a wide scale, to enhance labor productivity, to improve the whole system of political, public and ideological institutions, and to involve more and more of the workers and the people in state and social management. All of these are intended to secure a qualitatively new level of Soviet society's development, to take a new turn in improvement of the workers' material and cultural living standard, to make use of all of the socialist system's potentials, and to fully demonstrate the superiority of socialism.

The 12th Five-Year Plan (1986-1990) marks a critical stage in the practical implementation of the new economic strategy. Among other things, it calls for considerable growth of labor productivity (by 20-23 percent), so that it will provide for the first time for the growth of the national income. It also calls for an increase by 1.6 times in the national income.

The Romanian people know and highly esteem the historic achievements of the peoples of the Soviet Union in the 70 years since the Great October Socialist Revolution in building the new order, as well as the great progress they have made in developing industry, agriculture, science and technology and in all activities. Meanwhile the workers and public opinion in Romania take an interest in following the efforts of the Soviet people and the CPSU to reorganize society, to develop socialist democracy and all socioeconomic activities, and to carry out the decisions of the 27th CPSU Congress.

The news of the triumph of the Great October Socialist Revolution was celebrated enthusiastically by the revolutionary and progressive forces in Romania with extensive organized demonstrations of sympathy and solidarity throughout the country. The direct participation of thousands of Romanian revolutionaries bearing arms on the fronts at the Volga and in the Ukraine, the Caucasus, Central Asia and the Far East and the blood sacrificed by the Romanian people's sons to protect the gains of the revolution and the young Soviet state against the internal reaction and imperialist intervention bore eloquent testimony to solidarity with the proletarian revolution in Russia.

Once the RCP was founded, the Romanian people's militant internationalist solidarity with the Soviet state was heightened and extended. Despite the terror and the bourgeois-landowner regime's repressions, the communists firmly took the lead of the forces militating for friendly good-neighbor relations of collaboration with the Soviet Union. At the cost of heavy sacrifices the RCP organized the antifascist resistance, resolutely opposed Hitlerite Germany's preparations for war, and took determined action to sabotage the fascist war machine,

to withdraw Romania from the Hitlerite war, and to align it with the United Nations' coalition. By mobilizing and uniting all the progressive, patriotic forces on a broad front and by making skillful [as printed] use of the favorable international situation created by the victories of the Soviet Union and the other countries of the antifascist coalition, the RCP prepared, organized and successfully led the Antifascist and Anti-Imperialist Revolution for Social and National Liberation of 23 August 1944, which directly resulted in the overthrow of the military-fascist dictatorship, Romania's withdrawal from the Hitlerite war, and its commitment of its entire human, material and military potential to the effort to defeat fascism. In the heat of the great battles fought shoulder to shoulder by the Romanian and Soviet troops for Hitlerite Germany's final defeat, the comradeship of Romanian-Soviet arms was forged and lasting foundations were laid for friendship and collaboration between the peoples of the two neighboring countries.

Romanian-Soviet relations, based on a common system, goals and ideology, developed in the years of socialism. Founded on the new principles of full equality of rights, respect for national sovereignty and independence, noninterference in internal affairs, mutual benefit and international solidarity, principles established in the Treaty of Friendship, Collaboration and Mutual Aid between the two countries, Romanian-Soviet relations continued to develop in political, economic, technical-scientific, cultural and other activities.

The frequent Romanian-Soviet high-level meetings have made an important and telling contribution to development and expansion of relations between the RCP and the CPSU and between Romania and the Soviet Union, and to determination and exploitation of new opportunities for collaboration. Accordingly, the conversations in Moscow and Bucharest between Nicolae Ceausescu, the RCP secretary general and president of Romania and Mikhail Sergeyevich Gorbachev, general secretary of the CPSU Central Committee, and the accords and agreements concluded on those occasions have become landmarks in the history of Romanian-Soviet relations and are helping to further them in many respects for the benefit and in the interests of the peoples of both countries and of the socialist cause.

The Romanian-Soviet high-level dialogue brought out the importance of collaboration between the RCP and the CPSU as well as the desire to further develop the contacts and exchanges of experience between the two parties.

Economic exchanges between the two countries are being intensively expanded and diversified, and the Soviet Union always comes first in Romania's foreign trade. The provisions and aims of the Long-Term Program for Development of Economic and Technical-Scientific Collaboration Between Romania and the Soviet Union up to the Year 2000, signed in Moscow by Nicolae Ceausescu and Mikhail Gorbachev in 1986,

permit expansion and diversification of Romanian-Soviet relations in keeping with both countries' major economic potential. Romanian-Soviet collaboration under CEMA is also being intensified, as well as cooperation in implementing the accepted programs for solution, by joint efforts, of some major problems of the socioeconomic development of each of the CEMA member nations. The meeting in Bucharest in May 1987 between the two party leaders reaffirmed the common wish to expand and enhance cooperation and specialization in production in fields of mutual interest and to further develop collaboration on science and technology in order to introduce the advanced achievements of science and technology in both countries' economies as promptly as possible.

Meanwhile, exchanges in the fields of culture, science, education and mass information media are being further developed, as well as collaboration on the part of the state organs and mass and public organizations and exchanges of experience in various fields of socialist construction. Collaboration between Romania and the Soviet Union is being intensified in the international arena for solving the major problems facing mankind, especially those of disarmament and preservation of peace.

In speaking of the evolution of Romanian-Soviet relations, Nicolae Ceausescu said, "We appreciate the advanced stage of these relations, permanently based on full equality, mutual esteem and respect, and the noble principles and ideals of socialism, and we wish to keep developing them and to promote them more and more intensively as an example of relations among socialist states actively collaborating and cooperating for successful construction of the new order in their countries and for the general cause of socialism and peace." In his turn Mikhail Gorbachev declared, "We consider Romania a state close to the Soviet Union in its class nature and one of our allies and comrades in the struggle for the common cause. We are firmly resolved to do all we can to make our cooperation more productive and effective in all areas of society."

The world has undergone vast social and national revolutionary changes in the 70 years since the memorable event in October 1917. Socialism has transcended the borders of one country alone. A number of countries in Europe, Asia and America have taken the course opened by the victory of the Great October Socialist Revolution, giving rise to the world socialist system. Today the socialist countries account for one-fourth of the territory and about one-third of the population of the earth. Their share of the world's industrial output has steadily increased and now amounts to about 40 percent. Moreover dozens of new and independent states have sprung up on the ruins of the colonial empires, and their peoples are expressing their will to live in freedom and sovereignty, to be complete masters of their own national resources, and to build their lives as they wish more and more emphatically, while some of them are choosing the

socialist course of development. The struggle of the advanced and progressive forces in the capitalist countries for national independence, democracy and social progress has received a new impetus. All these innovating processes have made major changes in the world balance of power and greatly enhanced the role of the masses and the peoples in the fight for peace and international collaboration and for new relations of equality and mutual respect among all nations and peoples of the world.

Development of the economic potential, consolidation and improvement of the social mechanisms and relations and of the new order as a whole, and consistent promotion of the policy of peace, understanding and widespread collaboration have steadily enhanced the socialist states' role in the world arena and asserted them as one of the most important progressive forces of modern times.

Despite some indirect evolutions not without errors and contradictions, the major achievements of the Soviet Union and the other socialist countries demonstrate the correctness and superiority of the socialist course of social development and illustrate the fact that socialism is a lasting system of progress and true freedom and equality. Experience convinces us that socialism alone can entirely eliminate social and national inequalities of any kind and build a just and equitable society that will open wide the way to application of the creative powers of the peoples freed of exploitation and make them purposeful builders of their free and independent futures. Nicolae Ceausescu said, "We regard this vast experience of the socialist countries, beginning with the Soviet Union, as a common property of our parties and of all parties undertaking revolutionary social reform and construction of a classless system without oppressors and exploiters."

Of course the great internal and international changes that have taken place, the effects of the present technical-scientific revolution, and the necessity of full use of all of socialist society's potentials present the peoples of the socialist countries and their government parties with new problems and tasks that naturally require improved ways and means of socioeconomic organization. The socialist countries are now in a new stage of socialist construction characterized not only by accentuated intensive economic development, modernization of production, and improvement of labor productivity and output quality through introduction of the latest advances of modern science and technology, but also by improvement of socialist democracy and all aspects of socioeconomic activity.

As we know, in adopting measures to develop socialist society and to improve socioeconomic management as a whole, the RCP has always proceeded both from its own experience in socialist construction and from that of other countries, creatively applying the principles of scientific socialism to the actual Romanian conditions.

Analysis of the processes and trends in the world arena reveals that the international situation is still a complex and serious one due to aggravation of the armaments race, especially the nuclear one, the alarming deterioration of the situation of the developing countries, and the presence of the policies of use or threat of force and of interference in other states' internal affairs. Accordingly, the only viable alternative for solving man's great problems is to change the dangerous course of events, prevent the nuclear catastrophe, and promote a policy of independence, collaboration and peace.

The facts of our times require new political thought and a new outlook on the problems of war and peace based on the fact that a world war, to say nothing of a nuclear war, is unthinkable under the present conditions, and that the anachronistic theory of gaining security by strengthening military power and escalating the armaments race must be permanently abandoned. Therefore, the vital problem of our period is to stop armaments without delay, start nuclear and conventional disarmament, preserve and strengthen peace, eliminate the threat of destruction of civilization and life itself on earth, and defend the peoples' supreme right to peace and a free and worthy existence. Now more than ever the peoples and all democratic and progressive forces must unite their efforts and cooperate more and more closely before it is too late to enforce disarmament and to proceed from statements on actions.

As it was pointed out in the high-level Romanian-Soviet conversations in Bucharest in May 1987, the nuclear era requires a new, responsible approach to the problems of war and peace on the part of all governments and all political and social forces. Aware of this great responsibility, Romania and the Soviet Union together with other socialist countries and with the progressive and democratic forces throughout the world are working for disarmament, especially nuclear, and for consolidation of peace.

Romania, itself the author of many proposals and initiatives in the international arena to help accomplish disarmament, has welcomed and is supporting the Soviet Union's proposals to eliminate all nuclear weapons, in several stages, by the year 2000. Romania also regards the Soviet-American agreement in principle to conclude an accord on the matter of medium and shorter-range missiles as an event of historic importance in international affairs that will actually open the way to abolition of medium-range and operational-tactical nuclear missiles in Europe and Asia and is accordingly an important step toward complete elimination of all nuclear weapons and liberation of mankind from the nightmare of a nuclear catastrophe.

Romania and the Soviet Union are actively cooperating within the Warsaw Pact organization alongside other socialist countries. Coauthors of the Appeal of the Warsaw Pact States for a 25-percent reduction of armed forces and conventional armaments in Europe in the

early 1990's and a proportional reduction of military expenditures, both countries advocate stimulating and enhancing collaboration among all European states on the political, economic and humanitarian levels in order to take specific measures for disarmament of the continent of Europe. Romania and the Soviet Union also advocate settlement of all international disputes solely by peaceful means and negotiation as well as resolution of the problems of underdevelopment and institution of a new international economic order.

The great changes in the world and the newly created situation demand a greater role for the communist and workers parties in international affairs and their united action to accomplish disarmament, safeguard peace, and permanently and actually solve all the problems facing mankind today. The RCP and the CPSU advocate development of extensive cooperation and an active friendly dialogue among those parties based on observance of each party's autonomy, full equality of rights, and international solidarity. Both parties also stress the need of cooperation with the socialist and social-democratic parties, with other democratic parties, with the national liberation movements and with the progressive and democratic forces throughout the world to safeguard peace, man's most precious possession.

The basic processes and trends of our era and all contemporary social development emphatically demonstrate the growing role of the advanced, progressive revolutionary forces and the peoples everywhere, the more and more pronounced assertion of socialist ideas, and mankind's progress in building a better civilization.

5186/08309

### **Democracy Called 'Essential' to Socialism**

27000039 Bucharest ERA SOCIALISTA in Romanian  
No 21, 10 Nov 87 pp 5-8

[Article by Univ Reader Dr Ion Deleanu: "Democracy: An Essential Feature of Socialism"]

[Text] As it says in the Appeal of the Socialist Democracy and Unity Front [FDUS], "The program the FDUS is offering the voters and its candidates' political platform are intended to carry out the magnificent objectives of the RCP Program for Building the Fully Developed Socialist Society and for Romania's Advance Toward Communism and the decisions of the 13th Party Congress in the form of the tasks of the current five-year plan, which provide for Romania's steady progress in development and modernization of its economic strength, growth of the national income and the entire people's prosperity, and socialist Romania's transition to one of the medium developed countries."

The dialectical unity of socialism and democracy is the essential and definitive element of the undertaking of building the new order, which is called upon not only to revolutionize the whole structures of socioeconomic

development but also to bring about the masses' widespread participation in social management. Nicolae Ceausescu says, "We regard socialism as a society capable of fully meeting man's material needs and also as a society that will bring about all citizens' active participation in management of all socioeconomic activities."

Accordingly socialism and democracy are dialectically united. Establishing a true and all-inclusive democracy is still the mission and strength of socialist society, and the very construction of that society is impossible unless all members of society perceive its nature and the reasons for it, unless its basic aims are undertaken, and unless all workers and the entire people are fully integrated in the general creative and constructive effort that it demands. Historical experience proves that socialist society cannot be accomplished without the active support of the people, who must purposefully create their own destiny and history. Therefore socialist democracy is one of the sine qua non for building the new order and an objective necessity for society's very progress on the path of socialism and communism, and an essential feature of revolutionary social reform.

Implementing a revolutionary plan of such great proportions and implications as that of bringing the entire people up to the status of creators of their own destiny and full and sovereign holders of power has been and is no direct process free of demands and difficulties that can be integrated in any preconceived or universally valid theoretical and practical patterns. It is a specific-historical and dynamic process subject to a great many objective and subjective factors that demands all creative, realistic, farsighted and dynamic planning and action. It is to the credit of the RCP and its secretary general that in the course of a process of continuous socioeconomic and political innovation they specifically and suitably expressed the requirements of socialist construction by relating them to the characteristics and demands of each stage of Romanian society's development and provided unquestionably effective theoretical and practical solutions that lend Romanian revolutionary theory and practice a pronounced and stimulating originality.

In the view of the RCP and its secretary general, socialist democracy is not, or is not primarily, a concept or theoretical phenomenon but a value or actually a sum of values par excellence of social experience that require regular measures and definite actions to make the possibility of workers participation in social management as the essence of the new democracy a tangible, convincing reality, so that it is not a matter of any abstract, rhetorical or speculative democracy but a real, specific and operational one. Accordingly, the actual and authentic implementation of democracy as one of the objective requirements of historical progress becomes an inherent requirement of socialism and an essential manifestation of its historical legitimacy. As Nicolae Ceausescu said about this, "As contrasted with capitalist society, the Romanian system offers no illusion of abstract, alleged



democracy but the reality of actual exercise of the sovereign rights of the people in a state and of the broadest freedoms of the masses, which are ultimately reflected in their direct participation in making and implementing domestic and foreign policy and in governance of the country."

Democracy cannot be real or authentic unless it is also socialist, that is unless it is built on the foundation of realities which, on the socioeconomic level, means irrevocable abolition of any form of exploitation and, on the social-political level, the people's investment of themselves with power as its sole subjects. And that is also the basic difference between bourgeois democracy, based on the power of a minority, on capitalist ownership, on exploitation of the workers, and on a profoundly unequal distribution of the national income, and socialist democracy, wherein exploitation and oppression no longer exist, all wealth belongs to the people, and the national income is distributed on the principle "from each according to his ability and to each according to his work."

Experience has also proved that socialism is the only social system that can undertake and carry out its historic mission of "universalizing" democracy and developing it on the scale of all society. Socialism not only lays the objective and subjective foundations for "universalizing" democracy but also requires the full presence of the workers in all social activities as an essential factor for activating the nation's creative power as a decisive contribution to successful socialist and communist construction. Accordingly democracy is no subsystem of socialist society but one of its basic and intrinsic characteristics. It is the essential climate and very quality of society.

The RCP's view of the evolution of socialist democracy is systemic, including all social, economic, political, cultural, legal and other activities as well as all of society's organizational and operational structures. Socialist democracy is developed on the scale of society as a whole, securing all citizens' active participation in management of all socioeconomic activities. In that respect socialist democracy appears and is implemented as a single whole, all-inclusive and multifunctional by virtue of the diversity of its tasks and objectives.

With its lasting foundation of socialized ownership of the production means and socialized power upon which all citizens' equality is built without discrimination of any kind, socialist democracy is based on the common interests and basic aims of all the social classes and categories of which society is composed and on the unity of the entire people. That is also the framework wherein socialist democracy is continually developed and the civil rights and freedoms are extended, along with the growing sense of responsibility of the members of society for the people's general interests. The process of harmonizing the general and individual interests is a qualitatively new phenomenon in history and one of the

requirements and reflections of the increasing homogenizing of socialist society. The objective purpose of this homogenizing is to accentuate the vital common interests of the various social categories, while the subjective purpose takes the form of increasingly complete assimilation by all social categories of the values of socialism, of which the working class is the first and consistent bearer.

The process of enhancing and further improving socialist democracy is necessarily correlated with development of the revolutionary spirit and the sense of social-political responsibility of every member of society and with formation of an advanced civic awareness, so that participation of workers of all nationalities in social management will be both a continuing development of socialist democracy and an advanced political school of socialist indoctrination and of every citizen's greater responsibility for the general interests of the community and the whole nation. Socialist democracy is accordingly achieved not only out of necessity but also because of institution of responsibility as a result of the changes in individual and social awareness and mass "personalizing" of the members of society. As Nicolae Ceausescu said at the Third Congress on Political Education and Socialist Culture, a forum representative of workers socialist democracy, it must be the purpose of cultural and political-educational work to form a man with high moral-political qualities, confident of the forces of the people and society, and determined to make his entire contribution to implementation of the RCP Program and to general national development, to be always on duty, and to act like a true revolutionary under any circumstances. The party secretary general said that while we work with every determination for the efficiency of the democratic structure, which provides for all workers' participation in social management, and keep improving its performance, we must also "enhance the sense of responsibility, order and discipline in all activities."

Socialist democracy has a specific-historical character not only in the sense that the forms in which it is implemented require specific determination of a great many objective and subjective factors that differ from one country to another and even from one stage of social development to another but also in the sense that implementation of democracy requires constant improvement of its organizational and operational structure and regular evaluation and revaluation of the democratic institutions, functions and ways and means of managing the economy and society as a whole according to the requirements for constantly growing efficiency. In the light of those two manifestations of the specific-historical character of socialist democracy, we can say that it is a complex, diverse process and also that it denotes substantial progress in development and improvement of the new order.

Implementation of democracy as the essence and prerequisite of socialism is not and cannot be an imitative action nor a mechanical transfer of "universally valid"



forms and structures from one country to another without allowance for the social and national situations or the specific-historical conditions. Building the new kind of democracy is a creative action that differentiates and particularizes the principle under specific conditions without affecting its inseparable substance, to be sure. Nicolae Ceausescu says development of socialist democracy "is and will be a continuous process. The problem of finding the best ways to secure worker participation in social management will continue to come up even in Communist society.

Workers revolutionary democracy based on workers self-management is the particular form of Romanian socialist democracy. The party regards development of workers self-management and of economic-financial self-administration as part of the general development of democracy. In a broad sense, self-management could be called a principle that integrates representative and direct democracy while also requiring greater emphasis on the forms of direct participation in social management. In a narrow sense, workers self-management means workers direct participation in administration, management, organization and control of the socioeconomic units in the form of economic-financial self-administration. In keeping with the strategic objective of the present period of Romanian society's development, workers self-management emphasizes complete fulfillment of plan tasks, exemplary fulfillment in all units of the plans and programs for socioeconomic development, technical and qualitative improvement of products, growth of labor productivity, implementation of the programs for modernized and improved organization of production and labor, for economic-financial standardization, and for growth of economic effectiveness and further improvement of all activity, generalization of favorable experience, firm control of negative phenomena, development of the revolutionary spirit at work, and improved management and planning or, in a word, edification of the owners, producers and beneficiaries in regard to their rights and obligations.

Democracy is not just a system of rights and freedoms. It is also a system of requirements, obligations and responsibilities, especially since the bearers of the democratic values, now including all society, are the only and the decisive factors for the effort to apply those values. It logically follows from this that the dialectical relationship between rights and duties is evident. There is and can be no political, material, ethical or moral ground of any kind for claiming the right before the duty is done or in ignorance of the latter.

In the present stage of Romanian society's development, assumption of all civic obligations and their complete fulfillment on grounds of political and economic emancipation, freedom and dignity are unquestionably a significant aspect of the workers' interest in and sense of responsibility for the present and future of the nation. From this standpoint, Nicolae Ceausescu pointed out

once again, at the Plenum of the RCP Central Committee on 5 October 1987, the essential role of the workers revolutionary democratic bodies. As he said, all workers and management councils must bear direct responsibility for the ways maintenance and development of socialist ownership are managed and provided for, as it is the foundation of Romanian society's development, of socialist and communist construction, and of further improvement of the people's material and cultural welfare. Nicolae Ceausescu said, "The role of the state organs and those of the new workers revolutionary democracy must be enhanced, and they must closely cooperate in united action for prompt and efficient solution of all problems of implementation of the developmental plans and programs."

For that purpose it is necessary to improve the performance of the workers councils and to increase the responsibility of the general assemblies of workers as owners and producers for their entire activity. All the democratic bodies must realize that it is their heavy responsibility to secure the efficiency of the entire activity and the implementation of the programs to bring Romania up to new peaks of progress and civilization. Only the best operation of workers democracy and only the people's participation in managing the entire activity can guarantee the success of the RCP's policy.

When socialist democracy became all-inclusive as the sole means of exercising power, the RCP formulated the principle of continuing development of the state's role in management of all socioeconomic activity and redefined relations between the people and the state as well as those between the party and the state, in view of the great revolutionary changes in society since the Ninth RCP Congress especially that brought about a corresponding evolution of the content and activity of the socialist state. On the principle that the socialist state is subject to the laws of social determinism not as a passive object but as a phenomenon that plays an active part in its turn in revolutionary reform of social relations, or in other words by correlating the state's development with the changes that have been taking place in all areas of society, the RCP clarified and established the terms of the state's role and functions within the system of widely democratic bodies for social management as socialist democracy is enhanced and management of social activity is improved. It also pointed out that this process requires reinforced control of the masses over all state organs as well as balance and proper coordination between the new workers revolutionary democratic bodies and the state bodies. In that way a unified system of socialist democracy, the socialist democratic state, and the workers revolutionary democratic state was formed that provides for the people's wide-spread participation in social management. In the context of these terms, which bring out the interdependences between development of the state's role and development of workers revolutionary socialist democracy, the evolution of the socialist state is not to be viewed in itself but as an integral part of society's evolution toward higher forms of social management.

The people's councils, the local organs of state power, play a vital part in all socioeconomic activity. They manage all local activity, providing for the economic, social-cultural and municipal development of the regional-administrative units, protection and consolidation of socialist ownership, protection of civil rights, and observance of communist legality. While organizing the citizens' participation in state and public affairs on the local level, the people's councils are also the primary bodies of workers revolutionary democracy. That is why the coming elections to the people's councils are an event with broad and profound implications for Romania's democratism. The truly democratic nature of this major political event is accentuated by the intrinsic values of the Romanian electoral system.

The democratism of this system is striking, primarily because of the very principles on which it is based, such as the workers' direct participation in social management as the essence and purpose of the elections; the universal, equal, direct and secret character of the vote; the guaranteed exercise of electoral rights; the responsibility of those elected to the voters; investment of those designated as deputies with full functions within the established organs, etc. The democratism of the electoral system is also striking because of the very set of procedures for organizing and holding the election, such as the right of the FDUS, the broadest revolutionary and democratic standing representative political body and the organizational structure for uniting all of the nation's political and social forces under party leadership, to nominate candidates for deputies; nomination of several candidates for one deputy's seat; discussion of the nominated candidates in voters' assemblies; staffing all organs with functions of organizing and holding elections with workers' representatives designated in voters' assemblies; validation of deputies' mandates by the organs of the newly constituted authority themselves, etc.

Held in an atmosphere of keen enthusiasm and revolutionary commitment to greet the National Party Conference and the 40th Anniversary of the Proclamation of the Republic with outstanding progress in all socioeconomic activity, the elections to the new local organs of state power must be, as Nicolae Ceausescu said, "an effective demonstration of the inseparable unity of the party with all workers and with the people within the FDUS, and an effective demonstration of the Romanian people's will and determination to carry out the decisions of the 13th RCP Congress without fail and to secure Romania's transition to a new stage of development."

The need of developing the party's leadership in society is axiomatic in the Romanian conception of democracy, as well as improvement of the ways and means of the party's assertion as a political leader of all society and the vital center of the nation. In the present stage of Romanian society's development, when socialist democracy is being developed and the democratic structure for mass

participation in management of all sectors is being improved, the party is the political force that organizes and stimulates all socioeconomic activity. Nicolae Ceausescu stated an unquestionable fact at the Congress of Political Education and Socialist Culture when he said, "All that we have accomplished, the overthrow of the bourgeois-landowner regime, socialist construction, and the great progress in general national development, we owe to the existence of the party! The nation's future heavily depends upon the continued existence and consolidation of the party as the entire nation's leading force!"

From this viewpoint and in the light of the current requirements for developing Romanian socialist democracy, it was necessary to redefine relations between the party and the people. Since the unity of the entire people around the party (which has the agreement and will of the masses as the inspiration of its program and all its activities, and all workers and the entire nation as beneficiaries of its strategy and actions) is being consolidated on the principle that "Socialism is built with and for the people," Nicolae Ceausescu stressed the need of interpreting the concept of "the avantgarde party" in a new way. Because of its mass character as well as the workers' general support of its program against the background of the intensive maturing and homogenizing of the socialist system, the party is being more and more deeply integrated in society as it leads with and for the people.

On the initiative and with the telling contribution of its secretary general, in the last 22 years the party devised an original, all-inclusive and dynamic system of socialist democracy and applied it to social practice. By interpreting the objective and subjective requirements of the dialectic of the general and particular and improving upon the traditions of the Romanian people's democratic social-political thought, the RCP, itself a structuring factor in democracy, devised and promoted a series of theories, ideas and measures indicative of the conceptual rethinking and the practice of socialist democracy and the treatment of it as a specific-historical phenomenon, making the democratic nature of Romanian society distinctive and expressive. This system was continually augmented and enhanced, regularly directed toward improvement, rationalization and greater practical effectiveness, and specifically incorporated in the system of workers revolutionary democracy both as a reality and as an ever developing trend. The system of Romanian socialist democracy harmonizes representative and direct democracy in a unified, coherent, and fully articulated whole, while anticipating the communist forms of self-management.

To meet the requirements of socioeconomic management on the democratic principles of self-management and self-administration, the workers councils were founded as deliberative bodies in all activities, comprising over 500,000 workers, peasants and intellectuals.

Moreover the workers general assemblies in the socio-economic units were institutionalized as supreme collective management organs ruling on all economic and social activity, and on the national level broadly representative bodies for social management were formed that actually include the representatives of the workers in all fields and sectors and reflect the effectiveness of the investment of the producers of material and cultural values as subjects of governance, such as the Supreme Council for Economic and Social Development, the Congress of Deputies of the County, People's Councils and Chairmen of the Other Councils, the National Workers Council, the National Council of Agriculture, the National Council of Science and Education, the Council of Socialist Culture and Education, the Legislative Chamber of the People's Councils, etc. The conferences on fields and sectors of activity are also to be integrated in the system of these bodies and are convened regularly or occasionally to analyze the state of fulfillment of the tasks in the respective sectors and to adopt measures to improve future activity. In short, a democratic administrative system for all sectors has been created in Romania in the last 20 years that provides for democratic management of all activity jointly with the state organs.

In its institutionalized form, the social-political system of workers revolutionary democracy is identified with the power system. But it is no perfect similarity nor any complete identity that could blur the distinctive nature or scope of the respective phenomena. Therefore there can be no mechanical overlapping of them nor any overlooking of their intrinsic distinctive nature. It is sufficient to say here that political relations are not confined to power relations and the political system is not identical with the political structure.

The system of workers revolutionary democracy is an inseparably articulated series of relations and institutions whereby the people's sovereign will become binding on all society. It is the series of power relations and their applied forms whereby the people govern themselves. The concerted action of all the bodies that make up the workers de-revolutionary democratic system and the application of the functions of that system, designed as a single whole, reflect its quality and essential mission of securing all workers' active, purposeful and responsible participation in management of all society. In expressing this objective fact, Nicolae Ceausescu pointed out at the Third Congress on Political Education and Socialist Culture that Romanian workers revolutionary democracy is the one that "provides for all workers' direct participation in management of all activities and emphatically demonstrates the superiority of the Romanian socialist system, wherein the people are the full masters of their fate and are building their socialist and communist future in freedom and independence."

The dialectics of the interrelations among the bodies of the workers revolutionary democratic system reveal the new characteristics of each of the elements making up

that system. The state is still the chief instrument for exercising power. But in view of the qualitative changes in Romanian society, the value accumulations made by the continuity of the revolutionary process, and the strategic objectives of the present developmental stage, the quality of the state can no longer depend on its tradition way of imposing the will of the leading class as one binding on all society. The workers revolutionary democratic state is taking a new form and a multiple quality today. It is the chief means of exercising power and asserting the people's sovereignty, the general administrator of the entire people's socialist ownership, the instrument of further democratization of society, and the defender of the basic civil rights and freedoms and of the entire people's revolutionary gains. The plurality of those qualities, indicative of the multiplication of the state's functions and the accentuation of its role in society, brings out the conclusion that in the course of building the fully developed socialist society the state's role must not be diminished but enhanced and strengthened as an objective necessity.

The broadly representative bodies founded on the national and local levels in Romania in the last 20 years, which also perform state functions, as well as the twofold party and state organs as original forms for further improving and democratizing the processes of social management and also for full interaction of political, state and public activities, are also decision-making forums in the main fields or sectors of socio-economic activity. Accordingly, the solely public social bodies have been continually reportioning the function with which they were invested and assuming some tasks and functions characteristic of workers revolutionary democracy, such as organization, planning and control of socioeconomic activity, organization and management of education, science and culture, etc.

The RCP is the nucleus of the democratic system, its structuring factor, and the vital center of all society. It is demonstrating, in the highest degree and by convincing, unquestionable facts, its indispensable quality as the prime factor of the Romanian political system by bringing out the objective requirements of social development, particularizing them and comparing them with the facts of Romanian society and lending them practical value by setting the basic political policies for each development stage, by polarizing and stimulating the action of all factors in order to achieve its strategic objectives, by making all workers aware of the legitimacy and necessity of those objectives and their importance to social reform, by involving itself in direct management of the various fields or sectors of activity, by noting and resolving the contradictions inherent in every stage of building the fully developed socialist society, and by constantly evaluating the effectiveness of social actions and the coordination of their results with society's basic needs and regulating the performance of the democratic system and of the social system as a whole. Its assumption of the basic functions for management of all society

and the competence and high sense of responsibility with which it performs them are the essential criteria of the legitimacy of its historic mandate.

The evolution of the workers revolutionary democratic system demonstrates is inherent ability too stimulate and maintain its flexibility for purposes of constant coordination with the facts and demands of each stage of social development and to "recreate" and "renew" itself in the context of the dialectical synthesis of stability and flexibility, and to strengthen its stimulating power throughout the social system, bringing it up to every higher levels. The thought and actions of a people who have created and shaped their desired destiny are the inexhaustible source of the viability and flexibility of workers democracy. Accordingly Romanian socialist democracy is both a result of and a motive for promotion of a new political awareness on the part of the people, awareness of a new destiny not only of their own historical existence but also that of the world and humanity.

5186/12913

**Writer Lashes Out at Emigre Comments on RFE**  
27000051 Bucharest *CONTEMPORANUL* in  
*Romanian No 3, 15 Jan 88 p 15*

[Article by Adrian Paunescu: "Stamp Tax"]

[Text] I set out from the idea that every person makes mistakes. I accept the idea that I have made the most mistakes. However, I want to know who sits in judgment of me. And here is where matters begin to get complicated. If we have to dig a well and I am judged either by other well-diggers or by other people who, as any of us can ascertain, perform other socially and nationally useful jobs, the judgment may be erroneous, but it cannot be immoral. If, however, judgment is passed by people who have withdrawn their stock from here and who earn their bread by talking about what they imagine is happening here, the judgment, even if it is favorable, does not fulfill the basic condition of morality. Those who do so have not paid their stamp tax. Participation implies suffering, too. The one who digs the well has the right both to the water, and to being judged, and to judging other well-diggers.

The relationship between Malraux and Charles de Gaulle is not my business. That is the problem of the French, so to speak. What is my business is Malraux's literature, and I cannot read him and think of General de Gaulle.

Why Monica Lovinescu and Virgil Ierunca should insist on messing about with a culture that they have left and that they do not experience from the inside, I cannot understand.

In contrast to many other literary colleagues, I hold a different opinion of those two. I believe them to be two literati who, in a way, have not produced any work. It is possible that, in the absence of such a work, they see a certain kind of martyrdom or penitence in the pain of not being home any more. All right, I can understand their anti-communism, too, but I am astonished that they cannot see our pro-communism. I do not think that among civilized people there is room for the insults they hurl at many Romanian men of culture, just as I do not think that responding in kind is a solution. So what if Monica Lovinescu has reached a certain age, should we call her an old hag for that? Preserving an urbane manner can provide the conditions for preserving interrelations.

I have a few times listened to Monica Lovinescu's and Virgil Ierunca's criticism of myself. Some of it was justified. No less justified were the critical remarks made about others by the same people, on the same radio station. However immoral the two may think our cultural actions, here in our country, our former landmen themselves are at the bottom of the morality scale: not only do they fail to understand the condition of Romanian culture, but they want victims; they incite to fighting; they want to see blood.

Because Romanian poetry bore the name of Tudor Arghezi, too, the two former Romanian citizens had no trouble besmirching Arghezi, too, but not the young Arghezi at the age when he was fighting with everybody, but Arghezi the patriarch, whom no one should have hit even with a flower. And if there had been some mistake in his life, the gentlemanly thing to do would have been to forget and forgive, at the age of supreme authority, just as any mistake, ever paternal, was forgiven others, less significant than him.

Has Romanian criticism known a braver man than George Calinescu? He, too, was dragged in the mud. And Sadoveanu? The great writer who, in a given situation, did so much to salvage a minimal status for the men of letters, was also abused. Has Sadoveanu never made a mistake? Of course he has. But is the work of Monica Lovinescu and Virgil Ierunca more important for Romanian culture than that of Arghezi, Calinescu, and Sadoveanu?

When it comes to recent Romanian culture, the two paint a truly frightening picture. They cannot distinguish between attitude and work of art, and between personal political choice and each person's right to chose. Personally, I do not in any way see myself as a traitor to my people's interests for having been a member of the RCP for over 20 years, but I could never forgive myself for not doing everything in my power, through culture, for the happiness and prosperity of my country in the given conditions.

I cannot please people who are not involved in Romanian culture. If we make mistakes, you, gentlemen, do not exist at all. The battle is being fought elsewhere and

the combatants bear other names. I repeat, I am not necessarily discussing the correctness of Monica Lovinescu's and Virgil Ierunca's statements, but the legitimacy of this ceaseless interference in the affairs of a culture to which they no longer belong. If Mircea Eliade, who was a genius, had the decency to agonize over whether he was still on the inside of Romanian culture or not, a culture that he served with literary works written only in Romanian, I do not understand how people capable of discerning and penetrating to the core of the phenomenon can so stubbornly persist in the illusion that their lengthy extraterritorial amendments make any difference.

I do not view it as gentlemanly to continuously attack from the dark and to take advantage of the relative confusion existing in international life, in which hatred and inciting to hatred still have a place, in an endeavor—worthy of a higher cause—to compromise as many writers of your native language as possible.

There are no important writers of the past decades that Monica Lovinescu and Virgil Ierunca have not denounced. Their latest, and perhaps most revolting mistake, is to have denounced Marin Preda for having presented the portrait of a young communist in his book without worrying about the opinion of the two. What Preda did for the basic freedom of the Romanian writer does not count? You two decided that Eugen Simion had no right to call Preda a conscience!

Let us sum up a bit: whom does Radio Free Europe [RFE], Monica and Virgil attack? Ioan Alexandru, who has become repugnant to RFE ever since he began to deal with his homeland's roots. Can Ioan Alexandru be eradicated from Romanian literature? I think that would be a ridiculous attempt. This "indisputable" inferno created around him is not worth even one poem out of Ioan Alexandru's Disputable Inferno.

Can the vigorous political poet Ion Gheorghe be trivialized? Perhaps, but the situation then becomes pitiful and descriptive of its authors. Can one say about George Balaita that he was a talented writer but is one no longer merely because he took the floor at a public meeting and talked according to the circumstances rather than about his literature? Can talent disappear from one day to the next? Is Sorescu sometimes good and sometimes bad as a poet and playwright depending on how the two residents of Paris grade him? The naked hatred directed at Horea, Andritoiu, Brad, or Carneci is not a mark of high spirituality. It was hatred that impelled those two worriers about the situation along the Dimbovita river to proceed to serious slandering and to equally serious discussions of Bogza, Jebeleanu, Labis, Baconsky, M.R. Paraschivescu, and others, whom they dismissed from literature and divested of value only to reaccept them later. These writers, or others we have mentioned or are talking about may not be the greatest in the world, but this is what we have. They did not like Zaharia Stancu. So what? Were it not inspired by so much hatred, Mrs Monica Lovinescu's and Mr Virgil Ierunca's diligence

would have had something Don Quixotesque about it. But it does not. They do not allow us to feel even pity. They berate the writers they do not like and apply the dictatorial terror of their own taste to the values of Romanian culture. I am even astonished that the Administration of a country like the United States, which is so keen on democracy, can leave in the hands of such a limited group of intellectuals such a delicate issue as the discussion of the culture of an entire country. Is it in order to gather and disseminate information about the personal lives of Romanian writers, in a not even very intelligent manner and with the addition of so-called views on their literature, that the U.S. Congress has for so many years financed the existence of this radio station? The problem is very delicate. I believe that generally speaking, regarding the issue of ethics in interstate relations, the level of discussions should not be allowed to be dragged down to the mud. There may be difficulties in bringing information to the authors of programs broadcast abroad about certain countries. Since I do not want to air my views on how very abnormal these broadcasts are as a matter of principle, I will now refer only to the custom—which has become a law at RFE—of using any means to slander people with whom the RFE employees are in political disagreement. The basic guideline is that a radio station which is not subject to any international law may air, for considerations pertaining to the "struggle for freedom," any information about anyone, especially people who, living in a society with different laws and in which coming out in public with biographical details about one's own person is not fashionable, can practically never defend themselves. Through the voice of the pious Calciu Dumitreasa, RFE said about me that I had been brainwashed and that I should be put against the wall. How should I respond to that? Should I place an ad with RFE stating that I had not been brainwashed and that there is no reason to put me against the wall? If I had time, patience, and sufficient foreign currency, I would sue a few of the slanderers and demand that they prove the dirt they spread about me. Lying, you must also know, Mr Calciu Dumitreasa, is a sin for which you will be judged in good faith and will be afforded the justice you deserve and the punishment you deserve. The fact that I am a communist and you are not, does not, I believe, entitle you, Oh Very Pious Calciu Dumitreasa, to say anything you like about me. I would like you to write and tell me what biblical precept and what principle of the Romanian Orthodox Church entitle you to demand that one be put against the wall, when you have no concrete proof of the culpability of another Orthodox Christian? And here I will take the liberty of stating that the mistakes that I or others may have committed are incomparably smaller than the unimaginable savagery of demanding that a man be put against the wall for the mere reason that you happen to think he deserves it. I have known many Orthodox priests, but I never heard any of them ask for anyone's death. That is precisely why our ancestral faith has endured and continues to endure: because it is profoundly humane and cannot be manipulated against anyone.

About 15-16 years ago I had a chat in Paris with Monica Lovinescu and Virgil Ierunca and I enjoyed their company; they were receptive to all the good news, but their faces fell when I told them that Mircea Eliade had given me a truly historic interview. I understood then that the possible bridge between Eliade and our country pained them. They felt left out of the game. How was it possible? They had mounted relentless anti-communist campaigns using, among other arguments, the incompatibility between Eliade and the communist regime in Romania, and here was Eliade, on the point of being reintegrated into the Romanian culture at home? The interview appeared in a form that I did not particularly like either, whereupon Ierunca's magazine LIMITE hastened to publish Eliade's anger, which he had intelligently fostered. However, when in 1979 my interview with Mircea Eliade appeared in full in the book "Under a Question Mark", brought out by Cartea Romaneasca, Ierunca remained silent. Why? All that he was interested in was to make us appear culpable in relation to Eliade, and he certainly did not like the fact that Eliade's literature was returning home. From professional intellectuals, Monica Lovinescu and Virgil Ierunca had become professional anti-communists. The terrifying list of Romanian writers whose names were sullied one way or another by Monica Lovinescu and Virgil Ierunca contains almost all the names existing in this literature. All right, but what do Monica Lovinescu and Virgil Ierunca oppose and what do they promote? If, as far as the dirt is concerned, they are not doing too badly, when it comes to the values they support Monica Lovinescu and Virgil Ierunca are very poorly off: a seasonal culture that becomes obsolete every year. This is what the two promote. It is true that some valuable writers have left Romania. Some of them I regret. But equally true is that the Romanian literature is at home. It cannot be written in other countries, not even in purely journalistic stances. As is known, from the oldest times, literature has consisted of literary works, not good intentions. This has been proven and is being proven by all those that Monica Lovinescu and Virgil Ierunca rejected in a hostile and hasty manner. Let us recall their names and consider the connotation of these names: Arghezi, Calinescu, Sadoveanu, Beniuc, Bogza, Jebeleanu, Labis, M.R. Paraschivescu, Baconsky, Fanus Neagu, Marin Preda, Everac, E. Barbu, Lancranjan, Dinu Sararu, Nichita, Sorescu, Alexandru, Gheorghe, Horea, Andritoiu, Ghelmez, Ivascu, Piru, Manolescu, Simion, Ungheanu, Iorgulescu, Noica, and many, so many others that all that is left on the other side is one, perhaps two lightweights. What did you do, gentlemen, with the tragical and glory-seeking Ion Caraion, whose old age you deluded, whom you compromised, and whom you make it difficult for us to maintain as a true poet on the scale of values of Romanian poetry? If you wanted to do the right thing, you would not to turn a radio station into your own private vipers' nest merely on the strength of the fact that for the moment it needs anti-communists like you.

You will understand that my sadness is not hypocritical in any way. You dragged me into the mud, too, as you

pleased. You attributed to me faults that, had they been real, would have made me into a criminal. You abused me at will. You said that I had mistreated those in lowly positions and licked the boots of those higher up. I think that you have sinned. Anyway, you talked as if you had at some point worked under me. Which you never had. Just as you were never my mentors. You also stripped me of talent, you, who once used to say that I had great talent. I regret this blunder of yours, too. When you will read my books and have the courage to discuss the truths they contain, you will no longer be as insolent as to berate Manolescu, Simion, or Iorgulescu for sometimes writing about me. Provided you still have time to do so. I hope you do. In any event, I had to break the silence. I am not doing so angrily, on the contrary, I do it sadly. I am trying to respond to insults and hatred with serenity and arguments. The pamphlet form would have been handier. But the cause of Romanian culture deserves not muddy pastels, but fertile ideas, be they even controversial ideas. Suffering, from which every work of culture is born, is the guarantee for the legitimacy of the contemporary Romanian culture.

12782

## YUGOSLAVIA

**Pressures on, Removals of Press Editors Deplored**  
*28000069 Zagreb DANAS in Serbo-Croatian*  
12 Jan 88 p 21

[Article by Dr Vladimir Goati: "The Aggressiveness of Power"]

[Text] We are conducting this debate in a period of pronounced social crisis not only in our country, but also in all the countries of real socialism. And although the crisis in our country does have its specific elements, it also possesses certain genotypical characteristics. I am referring here first of all to the unrestrainable expansion of power and political bigwigs, which is inevitably accompanied by what Shakespeare referred to as the aggressiveness of power. A mere superficial examination of the characteristics of our present society allows one to see the immense inequality in possession of political and other power (in the sphere of the economy, housing, education, culture), which contradicts the egalitarian and programmatic ideal and takes away the legitimacy of those who wield power as intermediaries. Illegitimate power is something being contested, and it takes immense social energy to hold on to it. In that sense, Yugoslav society is today "in conflict with itself."

Uncontrolled power in the countries of real socialism has not encountered any obstacle in spreading into all spheres and penetrating all pores of society. Politics has spread a shield over the entire social horizon, stifling the autonomy of the economy and all other spheres. As though socialism had not learned anything from Montesquieu's assertion long ago that "everyone who has power is inclined to abuse it: he goes until he encounters

the limits." Montesquieu, together with the American Federalists, saw the remedy for limiting power in another power, that of the opposition. If Yugoslavia is with good reason not going to seek a solution in that direction, above all for historical reasons, it is necessary to insist on self-limitation of the existing power, on a strengthening of autonomous institutions outside politics. I know this sounds a bit Gandhian, but I see no better solution. Aside from a free press we need to affirm the body of the law and freedom of the individual and insist on something hardly ever talked about, the principle of division of power instead of unity of power. There is also a need to eliminate the tutelage of politics over the sphere of the economy as much as possible, and quite a bit is being done on this in the countries of real socialism. It is no exaggeration, then, to say that today the specter of democracy is haunting eastern Europe.

But let us get back to our topic. In a crisis situation when nothing is functioning as it should in our country, the press is a true exception. I would not say that it has been experiencing a renaissance, since that would signify that there had existed some ideal golden age which is now coming around again, and I do not believe in the existence of that age. It seems to me that journalism is just now experiencing its first youth. Today it is possible to reconstruct a true picture of social events from the Yugoslav press, which has never been the case before. The growth of newspaper circulation is in part the result of the social crisis, but also of something which must not be left in silence: greater trust of the press by the citizenry.

The boom of Yugoslav journalism which was unexpected for many people has depended upon the growth in the number and quality of highly professional personnel who live for rather than from newspapers. There has been a professionalization of the journalistic profession, which has far-reaching importance. Without that, there is no true journalism, just as there is no other profession. I am using here Greenwood's ideal model of a profession whose elements he sees in a systematic and rounded theory, a monopoly of professional expertise, and existence of social control and penalties. The reference is to professional associations of our journalists, some of whom are democratically elected and possess a legitimacy not possessed by the institutions criticizing those associations! Finally, in Greenwood's ideal model the professional structure is the code of professional ethics. The formation of a profession in Greenwood's paradigm means a strengthening of professional loyalty and leaving behind once and for all the period of "professional cannibalism" when the wink from a bigwig is enough to make a newsman a helpless victim of power from his own guild.

There are also some other explanations for the boom of Yugoslav journalism. One of them is the use of the "advantages of confederalism," which means the opportunity to write freely and to the measure of one's talent about events in "another community," while avoiding frontal conflict with one's own bigwigs.

Thanks to the devoted work of journalists political life has been made transparent and politics has been desanctified. Political struggles remind one of water polo, since as in water polo the most dangerous blows are invisible. Journalism has managed to shed light on at least some of those underwater events. The unembellished portrait of politics is not just the work of the journalists, but the politicians themselves also deserve credit for it in having provided their own self-portrait through their memoirs, notes, and political showdowns carried by television. We might even say that there are more bright spots in the portrait painted by the journalists than in the self-portrait!

In a country in which everything is utterly territorialized, from the railroads to the PTT, the electric power industry, and politics, in which there actually is no free circulation of labor and capital except for athletes and representatives of certain old crafts, only the journalists and their articles move freely from place to place. It is just in the last few years that it has turned out that a good journalist can survive even on our own soil without having necessarily to be a correspondent from abroad. A relatively small group of superb journalists today enjoy trust throughout Yugoslavia. And trust is an article of which our political system has a pronounced shortage. What I mean is that the relationship between politics and journalism cannot be dealt with soundly unless an essential third element is "brought into the game": the people, that is, the readers and purchasers of newspapers. Displaced from the electoral system in which it has been furnished only a limited right to vote after there have been several rounds of indirect elections, the citizen or "minicitizen" (V. Stanovcic) does at least choose newspapers or journalists at the newsstand.

But the importance which the press has gained exposes it willy-nilly to other dangers, since it has become an important instrument in the complicated conflicts of interest in all our federal units. That is why it is under cross pressure. On the one hand the territorial power elites are exerting an influence, above all through the editors in chief, to guide the media along desirable or at least acceptable lines. The editor in chief is literally between Scylla and Charybdis. In crisis situations the editor in chief is often the long arm of those elites, and sometimes a "permanent receiver." The other democratic current of that cross pressure is expressed by citizens who exert an influence on the press corps and on the editors. Thus the conflict between politicians and the people takes place in newspapers as a "displaced conflict" (M. Deutsch) between the editor in chief and the editors. We might say with a bit of sociological sarcasm and exaggeration that there are two possible outcomes here. The first: the career of the editor in chief has the life of a dragonfly and it is therefore no exaggeration to say that editors in chief are along with stuntmen the most threatened profession in our society. It is possible to divide the good editors in chief into two groups, the former editors in chief and future former editors in chief.

The history of Yugoslav journalism is actually a catalogue (not to say a cemetery) of former good editors in chief. The other epilogue is an editor in chief who stays in office for a long time in a chronic conflict with his own editors, which often leaves serious consequences for the

health of his soul and body. So which, then, of the two monsters is better: Scylla or Charybdis?

07045



## ROMANIA

**NATO, Pact Military Doctrines in Nuclear Age**  
27000047 Bucharest ERA SOCIALISTA in Romanian  
No 22, 25 Nov 87 pp 37-43

[Article by Major General dr Corneliu Soare, "Military Doctrines in the Nuclear Age"]

[Text] "The existence of huge nuclear arms stockpiles in the world requires a new way of thinking and of approaching questions of peace and war. These new ways must start from the reality that a world war is unacceptable because it would inevitably become a nuclear war and lead to the destruction of all mankind and of the very conditions for the existence of life on our planet. Given these circumstances, the fundamental issue of our era is to put an end to the arms race, to move toward disarmament and the elimination of all nuclear weapons, and of war itself, from the life of mankind." —Nicolae Ceausescu.

It is universally recognized that today the matters of war and peace have taken on critical importance, that the resolution of these questions must be a top priority as mankind is ever more confronted by the peril of its total destruction in a nuclear catastrophe. The grave situation which has developed in international life is due to the amplification of contradictions between states, the imperialist policies of force and dictat, the insane arms race, and the evolution of the military phenomenon itself, which has incorporated the latest achievements of the technical and scientific revolution and has now reached the power of total destruction. This explains the growing interest in military doctrines on the part of political leaders and by the public at large. The examination of these doctrines offers the opportunity to learn of the military strength and intentions of states, their concepts concerning war and armies, and their forms, procedures, and methods of armed conflict in the event of war.

### **The Role and Influence of Military Doctrines in Current World Political-Strategic Conditions**

It is considered that in general, military doctrine represents a unitary concept adopted by one state or another with the view to preparing for and carrying out a war; it is the set of principles, forms and procedures that the respective state applies in organizing and using armed forces, in light of its specific conditions and interests. The general orientation and the establishment of military doctrine guidelines is an attribute of political policy, being developed by the leadership of a state and expressing the goals which the leadership pursues.

The concern for the formulation of military doctrine is a product of the modern era, when war has become particularly complex, when a military decision cannot be obtained in a single decisive battle, but instead there must be a series of successive battles and operations, and when armies have become very complex organisms

and their leadership requires a large command corps, with different attributes, organized in multiple echelons and in a graduated hierarchy, each having its own mission, responsibility and initiative. In these circumstances, there must be a unitary concept, a doctrine, on the basis of which all training and activity of armed forces is based. From a socio-political point of view, the appearance of concern for formulating military doctrines corresponds to the current stage in the evolution of relations among states. This stage is characterized by pronounced differences in states' economic and political positions and interests, and by the increased scope and intensity of armed conflicts stemming from a deepening of the antagonistic contradictions of the capitalist system. Here then is the explanation for the fact that with the second half of the 19th century, efforts increased to create military doctrines formulated in theoretical terms and used to draft military regulations, organize armed forces, train command cadre and instruct troops.

In the 20th century, military doctrines continued to evolve under the influence of new factors—changes in the world's balance of forces, the scientific and technical revolutions, the two world wars and their consequences, and strategic implications of the new weaponry. It is clear that as a function of the way in which they reflected the demands of these factors, military doctrines exercised an important influence on the defense capacities of states, on the preparations for and the executions of wars and on the evolution of the international scene. The two global conflagrations demonstrated the enormous peril of aggressive strategic doctrines based on increased armaments and oriented toward total war, toward amplifying conflicts and their devastating effects.

However, it can be argued that at no time have military doctrines had as strong an impact on international political relations as they do now. Similarly, never have they been so massively implicated in the scientific-technical-armament triad as they are today. This is because mankind has entered the nuclear age under conditions of accentuated international contradictions, conflicts, and military confrontations.

Appearing on the scene with direct military implications, the nuclear factor produces a profound change in the very essence of war as well as in the complex relationships between war and policy. Until now, viewing war as a continuation of policy under different means, one could create an abstraction of military force and of its destructive capacity in defining this essence. However, given that a general nuclear war threatens the destruction of the entire human race, the destructive power becomes an essential characteristic of war, which cannot be an abstraction. Such a war cannot be a political instrument; it cannot serve the purpose of attaining certain goals or political advantages at its conclusion. On the contrary, no matter how one views it, total mutual destruction is an absurdity; it cannot be the object of a deliberate action of any party. This is one aspect of the problem—which concerns the fate of the belligerents in a nuclear

conflict. There is, however, another aspect. The massive use of nuclear weapons—as has been pointed out in a number of studies on the topic by scientists from various countries—would produce such geophysical upheaval and would have such bio-social consequences that it would destroy organized socio-economic structures, civilization; it would threaten the destruction of the human species and would endanger the very conditions for life on earth.

Nonetheless, for a long time these profound changes were not adequately reflected in either political or military thought. It is true that military strategy paid much attention to nuclear arms, but this concern was directed at developing concepts for using these arms in war, including establishing the requisite categories of forces and commands. This had the effect of stimulating the qualitative and quantitative development of weapons of mass destruction and contributed to a heightened danger of a war breaking out—with catastrophic results.

To the extent that political-strategic analyses pointed out the incontestable fact that nuclear arms cannot be used in a real war due to their totally destructive effects, military doctrines began to be used as instruments of policy during peace time. They were used "to deter," that is the use of nuclear force was threatened in the belief that this could regulate international relations, and in particular, the relations between the superpowers, in a way that defended their interests and maintained a certain global balance of forces. This strategy of "nuclear deterrence" took on a preponderant role in Western military thought and practice without, however, in any way diminishing the specter of war. On the contrary, this generated an even greater threat to peace, it significantly weakened the stability and security of states and it crippled detente.

Mired in this rut, military doctrines based on the politics of force, on nuclear arms, gave free rein to the technology of destruction; the doctrines themselves were being built on predominantly technological coordinates. Political considerations, appeals to reason, prudence and moderation paled in the face military considerations, and any new arms program was justified by the need to counteract the opposing side.

Now it is becoming ever more clear that the attempt to transform military strategy into a factor for regulating international relations in peace time resulted—as it only could—in failure. Experience, and the evolution of events have demonstrated that in this area, there must be a new kind of strategy, one that emphasizes political, diplomatic, economic, and other means to ensure the security and integrity of states and the peaceful solution of complaints, conflicts and any other international problems. Military-strategic analyses, theories and doctrines can play a positive role in this process, in the sense that they can increase awareness of the grave peril of nuclear war, of conflicts in general, and of the intensification of the arms race. They can do this if they are of a

strictly defensive nature, if they renounce any threats or actions against other states, and have as their basic premise that the security of states can be truly ensured not by more armaments, but on the contrary, by reducing arms, military strengths and military expenditures to a much lower level, and by taking concrete steps toward nuclear and conventional disarmament.

#### **The Inconsistency and Danger of the Strategy of "Nuclear Deterrence"**

In the process of confronting the extremely acute problems generated by changes in the balance of forces between the nuclear powers, Western military thought has added the idea that the only true defense is threat of force, of the use of the most destructive nuclear weapons. Hence has come the strategy of "deterrence" whereby the most powerful weapons of destruction are used, not to carry out a real war, but to dissuade an adversary from taking certain actions through fear of the consequences and risks which would result from the use of these weapons. "Deterrence," the French general Beaufre points out, "seeks to discourage an opposing power from deciding to use its armaments or from acting or reacting in a certain situation, through the existence of a range of possibilities which constitute a sufficient threat. It is, then, a psychological result which one attempts to attempt to obtain through the use of threats." (Footnote 1) (General Beaufre: "Deterrence et Strategie," A. Colin, Paris, 1964, p 21)

In general terms, the arguments of advocates of the "nuclear deterrence" doctrine are as follows: nuclear armaments and the process of deploying them in anticipated military theaters are "stabilizing factors" in international relations and in maintaining a military and political equilibrium among the nuclear powers; "nuclear deterrence" is a condition of a precarious peace based on threats, fear and uncertainty, but preferable to a war that would destroy mankind; this doctrine offers protection to allies who do not have nuclear arms and it ensures compensation for the adversary's superiority in conventional forces. Proponents of this doctrine argue that despite the difficulties, contradictions, and crises, "nuclear deterrence" has for four decades ensured a "durable equilibrium" in Europe, blocking changes of an amplitude that would have provoked the use of force.

Based on these considerations, "nuclear deterrence" became a primary component of Western military doctrine, including that of the NATO bloc, but in practice, it has proven to be more an instrument for stimulating the arms race, a generator of controversy, discord and instability, and a doctrine incapable of offering rational, long-term solutions to the very complex military problems of our era. It is thus necessary that attention be given to, and a critical analysis be made of, the theoretical bases, implications and consequences of this doctrine on a number of levels.

The strategy of "nuclear deterrence" was favored to some degree by the military implications of the technical-scientific revolution as well as by the exacerbation of political and ideological confrontations between the superpowers. By virtue of their characteristics, nuclear arms, missiles, automation, and space technology create the conditions for extending technocratic concepts, while doctrines of "deterrence" have promoted, more than other concepts, the technocratic modelling of strategy, based exclusively on what can be obtained through the performances of nuclear missiles and the psychological pressure that can be exerted through the threat of their use. Such an orientation not only because it prevents adopting a rational military policy in concert with the imperatives of our era and the vital interests of people [as published], but also it exercises a profoundly injurious influence on the evolution of world events as it accords to armament technology a predominant role in the mechanism of international policy.

Today we have arrived at the situation where existing armaments can destroy mankind many times over, hence the production of new, more powerful weapons is devoid of any sense whatsoever from a strategic point of view. In the bizarre logic of "deterrence," these factors are viewed in a different light and any new type of armament is justified if it can be used as an additional "argument" and as a more convincing proof of one's strength in the military competition, in political negotiations, and in affirming certain interests in the international arena. Hence there is the tendency for destructive forces to be multiplied despite the harmful consequences which they generate at various levels.

If to date there has not been a nuclear war—even if there has been no shortage of inflammatory situations that have brought us to the brink of one—it is becoming ever more clear that the danger of such a war has not diminished. Indeed, it has grown under the impulse of an escalating arms race, especially the nuclear arms race. The accumulation of an enormous nuclear arsenal, its diversification, and the use of threats of force for "deterrence" have increased the danger of a world conflagration with incalculable results for the fate of mankind. The continuation of the technological arms race tends to constantly modify the military balance, so that a strategy of "nuclear deterrence" cannot be considered as a true factor of stabilization nor something that ensures a durable equilibrium in international life. Quite the contrary, it is a factor that strains and destabilizes it.

Although it is accompanied by numerous studies, analyses and evaluations, the doctrine of "nuclear deterrence" is not devoid of dilemmas and contradictions, of organic weaknesses that reveal its logical inconsistencies. It is considered that the "stabilizing factor of deterrence" is dependent upon two essential conditions: the credibility of a first strike and the survival of a sufficient retaliatory capacity. Deterrence is credible—it is affirmed—when it succeeds in producing fear, when the adversary believes that the threat will be carried out in a

given situation. Otherwise, the threat becomes improbable and its deterrent effect ceases, which would directly result in increased instability. On the other hand, if, after the first nuclear strike, the party attacked retained a sufficient retaliatory capacity to produce unacceptable destruction on the attacker, this would represent a threat which maintains the risk of mutual destruction, and as such, ensures the stabilizing function of deterrence.

Ensuring the two essential conditions of the "nuclear deterrence" theory has required a massive technical-scientific effort and certain appropriate precepts in military technology. This in turn has stimulated the arms race. The dilemma of credibility has, however, remained unresolved. For, if there remains a sufficiently powerful retaliatory capacity, nuclear stability is maintained, but this diminishes the credibility of a first strike, which has, as a direct consequence, a general weakening of the deterrent factor. If, however, a first strike can produce sufficient destruction to nullify or seriously weaken retaliatory capacity, then credibility is assured, but the equilibrium is destroyed and stability is imperiled because of the tendency to capitalize on the advantage of a first strike.

An important point in understanding the mechanism of "nuclear deterrence" is the so-called law of increasing counter efforts. Presupposing that for the destruction of an enemy rocket one must launch  $N$  nuclear arms, then every time one side introduces a weapon in its arsenal, the other side must construct  $N$  arms to maintain the capacity to counteract it. The first side, then, must have a quantity of  $N$  squared arms to destroy  $N$  enemy rockets. The law of increasing counter efforts then is expressed as a geometric progression, which is yet another aspect demonstrating how costly and senseless is the nuclear arms race.

As an integral part of the doctrine of "flexible response" adopted by the U.S. and then by the NATO bloc, "nuclear deterrence" also addresses the question of a conventional war. In order to discourage such a war, a number of diverse solutions have been proposed including the deployment of tactical nuclear weapons and medium-range weapons in Europe. It has been argued that these arms, within the context of a "limited war" would ensure more credible deterrence and compensate for any possible imbalance in conventional forces. The deployment of a large number of American nuclear weapons in the NATO countries however has meant grave peril for the peace and security of all states on our continent. To date, there has not been a single plausible argument demonstrating that a so-called limited nuclear war would not escalate into a general nuclear war. As far as the "nuclear protection" that this offers the allies, there is sufficient basis to consider that this generates even greater peril for the respective states and, thus, even greater insecurity. By offering their territory for the deployment of nuclear rockets, these countries become prime targets in the case of armed conflict. "Nuclear

protection" is at the same time a factor in maintaining opposing military blocs and, hence, an obstacle to the process of detente and disarmament.

Confronted with its inherent dilemmas as well as the serpentine evolution of international events, the strategists of "nuclear deterrence" have attempted to find ways to improve and complete the doctrine by developing new theories and means supposedly better adapted to the intended goals. In this regard, we mention the theory of "limited nuclear war," "realistic deterrence," the strategy of "countermeasures," the "AirLand battle-2000" and so on. Each of these has represented a new impulse to the arms race—both nuclear and conventional—and demonstrates that the essence of the "strategy of deterrence" resides solely in the support it offers to military competition between the superpowers.

Proponents of "nuclear deterrence" have at times advanced the idea that the Soviet Union shares this doctrine, a factor which has produced a certain compatibility between the military doctrines of the two great powers and ensures a "mutual deterrence." In reality, the Soviet Union has rejected the theory of "nuclear deterrence" and the words of CPSU CC General Secretary Mikhail Gorbachev are edifying in this regard: "To begin on the road to disarmament there is the need, first and foremost, for political will. Security cannot forever be based on the fear of revenge, in other words the doctrine of "deterrence" or "intimidation." In the situation where the entire world is held hostage to nuclear weapons—a situation both absurd and amoral—this doctrine stimulates the arms race, which sooner or later can get out of control." (Footnote 2) (Mikhail Gorbachev: "Selected Writings," Editura Politica, Bucharest, 1987, p 235)

An argument constantly repeated by proponents of "deterrence" is that nuclear arms are a "guarantee" of peace. According to the American author John Garnett, strategic studies can be carried out in the interests of peace and security, and many contemporary strategic doctrines are nothing else but theories on how to better achieve a peaceful and secure world. To be more explicit, he outlines the concepts on which these theories operate. "Deterrence is a theory which holds that peace and security can be promoted through threats to potential enemies of unacceptable losses through reprisals. Disarmament is the theory which maintains that peace and security can be obtained through reducing or renouncing the weapons of war. Armament control is the theory which holds that peace and security can be achieved through an able management of armaments. Limited war is the theory which maintains that peace and security can be achieved through control and limitation of armed forces used in a conflict. Crisis control is the theory according to which peace and security can be promoted through techniques intended to keep international crises under control. (Footnote 3) (John Garnett, "Strategic Studies and its Assumptions," in the volume "Contemporary Strategy, Theories and Policies," Holmes and

Meier Publishers, New York, 1975, p 14) It is difficult to understand how such totally different notions and ideas can be placed on the same plane and considered as having the same intent. How can the theory of "limited war" or "the able administration of armaments" serve international peace and security? Any sane person knows that arms are the means of war and not of peace. Hence there can be no other road to peace and security except that of putting a halt to the arms race and moving decisively toward disarmament. The anachronistic character of the "nuclear deterrence" theory also has been unmasked in recent times by important personalities in Western countries. Pierre Sudreau, a former French minister, has denounced "nuclear deterrence" as a strategy of absurdity which can do nothing but continuously heighten the peril of a nuclear war and, in the end, the destruction of mankind. "No one," he points out, "can believe in the absolute value of deterrence. Furthermore, no one does believe it. Everyone continues to manufacture all the more arms, always more powerful, and to invent new weapons." (Footnote 4) (Pierre Sudreau, "La Strategie de l'absurde," Pion, Paris, 1981, p 38) This doctrine, as the author wisely points out, tends to "desecrate" atomic war, to get the public used to its idea so that it can be considered a "natural" thing that can be employed. In opposition to the times, to current realities, to the aspirations of peoples, it is ever more obvious that doctrines which outbid one another in the technology of destruction cannot offer a rational solution to the military problems of contemporary life. Obviously, the orientation and evolution of any military doctrine depends on the political factor. The renunciation of the "nuclear deterrence" strategy, of the use of force and threats of force in interstate relations would be an expression of a rational policy, truly realistic and one that corresponds to the imperatives of our era.

#### Offensive and Defensive Military Doctrines

The notions of "offense" and "defense" have taken on different meanings over time, as they have related to political goals and the character of warfare or to the forms and procedures of military actions. Marx said that confusing the political ends of war with the forms of battle used in military operations means that one does not understand dialectics. For example, a war can be a defensive one from a political point of view and yet have an offensive military character should the balance of forces permit such a situation. In history there are numerous examples of such a combination of notions appearing in practice.

Today political and military notions obviously cannot be confused. We must, however, keep in mind that the revolutionary changes produced in the content of warfare and in the evolution of the international political situation absolutely mandate a new way of thinking, a new attitude toward the character of military doctrines and toward the way various states, and in particular the great powers, view the execution of military actions on the strategic level. Today one can no longer argue that an

offensive military strategy can serve the defensive policy of a country; the new conditions, the new character of war require military doctrines to be of a defensive nature both in relation to the political ends pursued and to those of military strategy.

A number of considerations plead for this change of perspective. First of all, a nuclear war which would destroy all mankind, all states regardless of size, social order or ideology, cannot have a political dimension. To such a war one could not apply such notions of "just" or "unjust," it is, in its entirety, if we cannot express it any other way, apolitical and amoral, given its total incompatibility with rational politics and morality in general. Consequently, any correlations of political goals with forms of military action become pointless in this type of war.

Secondly, to consider starting a war by offensive operations of a strategic scale presupposes that one has from the outset superiority in the balance of forces, that one will carry out military actions on the territories of other states and that one takes, still in peacetime, the necessary measures for training and equipping the armed forces. However, under current circumstances all of these actions would have profoundly negative repercussions in international relations; they would provoke fear, suspicion and mistrust and they would stimulate the arming of others. States which wish to effectively maintain the equilibrium, detente and the installation of a climate of international trust and cooperation will come to the logical conclusion that an offensive military doctrine is incompatible with these objectives.

Other considerations refer to the characteristics of armaments in relation to the basic forms of military action. Military science points out that the distinction between offensive and defensive arms is relative. In general, any weapon can be used both in offensive and defensive actions, according to the concept of a battle's organization and execution. Despite this, it is noted that the evolution of military means can unequally favor offensive or defensive power, causing a modification in the relationship between the two. Thus, at the end of the 19th century and at the beginning of the 20th, automatic weapons, advances in barricades and fortifications, and large payload, rapid-firing cannon all favored defense, and WW I was so characterized. Later, the appearance of the tank-airplane combination gave important advantages to offensive warfare, allowing the possibility to overrun defensive positions, to develop rapid, in-depth actions, to execute large surprise maneuvers and to strike the reserves of an enemy before they could reorganize defenses. The limitations of an offensive, that of bogging down as it progresses, were largely eliminated by the formation of powerful and mobile "second echelons" which rapidly could be introduced at the critical point to obtain success. The offensive tank-airplane pairing demonstrated its efficacy and played a predominant role in the second world war and in a number of more recent armed conflicts.

Today it can be easily appreciated that the most destructive of arms have a pronounced offensive character. This is true particularly of the category of strategic weapons to which the military doctrines of the great powers devote so much attention. Strategic nuclear missiles, strategic bombers, atomic submarines and other missile-carrying ships and space weapons are arms that are eminently offensive, destined to destroy targets at great distances, on the territories of enemy states. For example, the American system for planning strategic nuclear strikes, the S.I.O.P. (Single Integrated Operational Plan), which includes the medium-range missiles in Western Europe, targets over 40,000 objectives. Nuclear arms have an overall offensive character and against them there is no efficient defense. There is an expression that you defend yourself by destroying the cities of the enemy, but in this case, the notion of "defense" loses its true significance. The sole defense of mankind against nuclear arms is the renunciation of these weapons and their elimination under strict international control. Under these conditions, it is necessary that military doctrines show the greatest prudence in developing concepts for the use of armed forces, and in particular, for the use of strategic weapons. To be truly defensive, these doctrines must reconsider and diminish as much as possible the role of offensive weapons which carry the risk of total mutual destruction and renounce the threatening of other states with their use.

Warsaw Pact member states articulated the essential elements of their military doctrine in the document, "Concerning the Military Doctrine of the Participating States of the Warsaw Pact," which was adopted at the meeting of the Political Consultative Committee in Berlin on 28 and 29 May, 1987. The document reads in part, "The military doctrine of the Warsaw Pact and of each of its member states is subordinate to the objective that war—either nuclear or conventional—is unacceptable...The military doctrine of Warsaw Pact member states is strictly defensive, emanating from the fact that to resort to military means to resolve any litigious problem is inconceivable." (Footnote 5) (Concerning the Military Doctrine of the Participating States of the Warsaw Pact, in SCINTEIA, 30 May 1987) The document underscores several basic principles which flow from the defensive nature of this doctrine. The Warsaw Pact member states will never and under no circumstances initiate military action against any state or alliance of states if they themselves are not the object of an armed attack; they will never be the first user of nuclear weapons; they have no claims on the territory of any other state in Europe or outside of Europe; they consider no state or no people to be their enemy; indeed they stand ready to build relations with all countries of the world without exception, based on the mutual consideration of the interests of security and peaceful coexistence.

From a political and strategic point of view, there is the particularly important assertion that the Warsaw Pact member states will rigorously maintain their armed

forces within the limits necessary for defense, to repel any possible aggression. They will act resolutely to reduce armed forces and conventional forces in Europe to a level where no one party will have the means to launch a surprise attack on another, or to carry out offensive operations in general. In this way, they ensure full congruence between the political goal of defense and the forms of military action envisioned including the forces involved, thus creating favorable conditions for the elimination of war. Of course, such conditions must be respected by both sides and reflected in their military doctrines. At the same time, it was also pointed out that every member state has its own military doctrine and the Pact does not propose strategic concepts that override them or to act as a substitute for the national military doctrines of the member states.

For its part, the NATO military doctrine affirms its defensive character if we consider the official declarations and documents adopted by the political-military organisms of this alliance. Its goal is given as the defense of Western Europe and its strategic argument makes particular reference to the balance of forces where it asserts that there is a certain superiority, particularly in regards to conventional forces, on the part of Warsaw Pact armed forces. Certainly, the affirmation of the defense character of the Western military alliance can be viewed positively, however the arguments above are patently flimsy because, as a variety of commentators have observed, they have as their basis, a unilateral interpretation of data concerning the balance of forces. It is well-known that the two sides did not develop in the same direction with the same proportions given to various categories of forces and types of arms that they possess, hence there can sometimes appear to be certain asymmetries when one evaluates quantitatively and qualitatively mechanized troops, armor, various types of missiles, artillery, aircraft, submarines, surface ships and so on.

As has been attested in data published in recent years by the Institute for Strategic Studies in London and in the S.I.P.R.I. annual publications, overall there is a relative parity between the two military blocs, however focusing on partial asymmetries gives another image, wherein the adversary appears to have the advantage. Interpreting balance of forces data in this way generates the tendency to achieve a military balance at an ever higher level and becomes a justification for escalating the arms race.

Furthermore, in recent years certain orientations have appeared and certain measures have been adopted in NATO military doctrine which have cast doubts about its defensive character. Numerous commentary and controversy was ignited by new American concepts concerning the execution of a war in Europe. American military planners were criticized for the fact that by modifying their strategic doctrine and deploying the 572 medium-range missiles in Western Europe, the United States was leaning toward moving a nuclear war into Europe. Also, it is felt that the concepts of the "forward defense" and

the "AirLand battle," have given NATO doctrine an offensive character. The American term, "Forward Defense" which in its semantic content contains an element indicating direction—forward—has recently caused certain misunderstandings which in the extreme, have begun, apriori, to confer upon NATO doctrine and plans for using the forces of NATO, a character that is purely and simply offensive, and an offensive way of thought. (Footnote 6) (H. Magenheimer, "Die Verteidigung Westeuropas Doktrin, Kraftestand, Einsatzplanung," Bernard und Graefe Aktuell Verlag, Koblenz, 1986, p 46)

Some Western military theoreticians consider the defensive character as a "weakness" of NATO doctrine and recommend various solutions for increasing its offensive capacity, among which is applying "blitzkrieg" procedures. "NATO should obtain the capacity for a 'blitzkrieg,' combining the factors of surprise and offensive action into an operational concept and through a series of tactical actions to eliminate our sources of weakness. The goal for this activity is to annihilate the intentions of enemy forces and their ability to carry out their established war plans." (Footnote 7) (N. Livingston, "Blitzkrieg in Europe: Is It Still Possible?," Military Review, Vol 66, No 6, June 1986, p 29)

Even if these orientations have not radically modified the character of NATO doctrine and have provoked only "misunderstandings," it nonetheless appears necessary to organize discussions concerning the content of military doctrines. Such talks could contribute to clarifying controversial questions and to resolving them in the spirit of peace, cooperation and enhanced international security. To this end, the Warsaw Pact member states have proposed to the members of the North Atlantic Treaty Organization, that there be consultations to compare the military doctrines of the two alliances and trends in their future evolution. These consultations would seek to eliminate mutual suspicion and mistrust which have built over the years and to better understand the intentions of the other side so that the military doctrines and concepts of the two blocs and their member states can be based on defensive elements. What would be particularly interesting would be the general orientation and the basic principles of the respective doctrines, their strategic concepts, and the directions followed in technical-scientific research, production and placement into inventory. Also, there could be discussions on existing imbalances and asymmetries in types of arms and categories of forces to find ways to eliminate them through appropriate reductions by the party that was ahead and lead to an overall decrease in armaments.

#### **Military Doctrines in Light of Peace, Disarmament, and International Security**

A comparative analysis of military doctrines demonstrates definite possibilities for linking them with certain rational policies of peace, detente and cooperation among peoples, and of respect for the independence and

national sovereignty of all states. What theoretical and practical conditions must be achieved to better meet these demands? Certainly it is not possible nor is it suggested that differences between the doctrines disappear. These are determined by the social, historical and ideological foundations and by the way each country believes its defense requirements should be met. There are, however, certain common elements forced by the peril that hangs over all mankind, for which there can and must be found a unitary solution on the political and military levels.

In this context, an absolutely fundamental element is the adoption and generalization of a new way of thinking about war and peace; one which begins with the premise that in the nuclear age, war has become impossible because it threatens the very basis for the existence of mankind as a species. "The existence of powerful weapons that can destroy life itself on our planet," President Nicolae Ceausescu has pointed out, "means that war no longer can be possible as a concept. There is no other alternative than the total elimination of war, than a policy of cooperation and peace." (Footnote 8) (Nicolae Ceausescu, "Romania on the Road to Constructing a Multilaterally Developed Socialist Society," Vol 28, Editura Politica, Bucharest, 1985, p 84) It is also necessary to renounce as outdated the concepts that view war as inevitable and accept it as a political instrument, as a continuation of policy through other means. Such concepts belong to bygone days when wars were frequently used to impose the domination of the strong upon the weak and when policy could permit it, and when it was felt that it was to one's advantage to exchange the pen for the sword and diplomacy with battle.

Today such a pattern of thought is profoundly anachronistic. The awareness of the peril of mankind's self-destruction as the result of a general nuclear war, and as the dangerous result of any conflict which includes the possibility of transforming regional armed conflicts into global conflagrations, demands that for resolution of conflicts between states, policy must act only through its own specific means (treaties, consultations, good offices, mediation, conciliation, arbitration, international justice etc.) and not through other means—the military means of destruction—through war. Obviously, the thesis that war has become impossible as a deliberate act of state policy does not represent a simple desideratum or a purely theoretical consideration but a vital reality of our era. It must find its place in the practice of international relations, in concrete measures adopted for disarmament, detente, peace, and for the elimination of war from society.

There must also be a new way to view the role, character and content of military doctrines. The traditional concept starts from the notion that war is possible, even inevitable, and as a function of set policy, military doctrine has the task to establish the manner in which a state and its armed forces will act to obtain victory in war. If, however, we accept the fact that in a nuclear war,

it is impossible to win, that there cannot be victors and vanquished and that war can no longer be viewed as an instrument for achieving political ends, then it is utterly essential that military doctrines be restructured to correspond to the realities and certainties of contemporary life. They must place primary emphasis on the prevention of war, and to so orient the missions, training and arming of the military so that they do not impede the achievement of peace and detente in international life. It follows then, that in such a vision, the political and strategic questions that confront mankind and each nation apart, must play a greater role in military doctrines. Each state must establish its position and contribution to the solution of these questions in a constructive fashion. In this way, military doctrines will be strictly subordinate to well-founded and realistic political and strategic reasoning. They will avoid the harmful influence of technocratism and the predominance of considerations of the technology of destruction and the stimulation of the arms race.

Regarding strategic concepts—the forms and means of anticipated military actions—these must be of a strictly defensive character; they must refer to the defense of one's own territory and they must not threaten other states with surprise attack, with offensive operations carried out on their territory, or with the administration of powerful strikes—from the air, on the sea or from space. It must be pointed out that in our era more than ever before, the true character of a military doctrine can be understood not by the terminology used, but by the effect this doctrine has on the evolution of the international political and military situations and on the characteristics which its implementation would give to armed conflict. Strategic theories and concepts could not be considered defensive if they have as a direct consequence more and more new arms programs, increased military expenditures, an extension of the arms race, and a poisoning of the international climate. Military theories and concepts cannot be considered defensive if they give armed conflict even more destructive capacity or if they envision enlarging engagements or extending conflict into new media.

In light of these criteria, one can understand the true significance, for example, of the American program, "The Strategic Defense Initiative" (SDI), or, as it has come to be known, "star wars." This program was presented as justifiable because it was a system that would make nuclear missiles ineffective and outmoded, replacing "mutually assured destruction" with "mutually assured defense." Its adherents use a defensive terminology to mask the real implications of this new armament program. The so-called space weapons of strategic defense—they affirm—are indispensable for a decisively high level of defense. To eliminate them is to destroy the very utility of defense. (Footnote 9) (Zbigniew Brzezinski, Robert Jastrow, Max M. Kampelman, "Defense in Space is Not Star Wars," THE NEW YORK TIMES MAGAZINE, January 27, 1985) The SDI program, however, only appears to have a defensive



character. In reality, it can create a situation which favors the launching of a nuclear first strike and thus threatens to modify the military balance and prompt a perilous destabilization of international relations. If the rendering of nuclear weapons ineffective remains in doubt, according to some that is at least probable—the proof being that the United States is continuing, at the same time and under various forms, the improvement of nuclear weapons—it appears instead that this program will not bring about a more durable and stable peace, but will extend the arms race into space and it will accentuate the misappropriation of the achievements of science and technology toward military ends.

Basically, the program to militarize the Cosmos originates from the same erroneous concept that peace and security can be obtained through armament, through the continual improvement of the technology of destruction. In its own way, it demonstrates the failure of “nuclear deterrence” because it proposes to replace it with a strategy of cosmic warfare; it does not offer a realistic alternative or a perspective for eliminating the grave peril that menaces mankind. It proves yet again that the complex military problems that our era raises cannot be resolved by intensifying the arms race, but only by stopping it, by consistently promoting political solutions, by moving toward disarmament, and by walking firmly on the path of peace and international cooperation.

The military doctrine of socialist Romania, the brilliant creator of which is Comrade Nicolae Ceausescu, constitutes a concrete example of a strictly defensive doctrine. It is in total harmony with our party's entire internal and external policy of constructing socialism and communism, of the multilateral development of our fatherland, and of consistently promoting the principles of peace, disarmament, detente and international security. In the military domain, Romania has a single strategic objective, that of defending the revolutionary successes of the people and our independence and national sovereignty against any aggression. The country's defensive capacity is insured by the general development of society and by training all of people to fully participate in an armed struggle to defend against any aggression. The fact that our armed forces participate in both military training and in the socio-economic development of our country is an eloquent expression of the peaceful vocation of our army, its full integration in the constructive efforts of Romanian society. “In conformity with 13th Party Congress decisions, and with the general orientation of our country's peaceful policies—Comrade Ceausescu has pointed out—we maintain our military expenditures at the minimum required, as we are firmly convinced that primary emphasis must be placed on socio-economic development and the successful implementation of the party program to build socialism and communism. This course constitutes the supreme guarantee for our nation's defense and for ensuring the full independence of socialist Romania.” (Footnote 10) (Nicolae Ceausescu, op. cit. p 278)

The forms and procedures of war which Romanian military doctrine envisage respond completely to the demands of a struggle mobilizing all the people in the defense of the fatherland. They take into consideration our historical traditions, the country's potential and the characteristics of our national territory. In conformity with these requirements, concepts of territorial defense were formulated that transform all localities and socio-economic units into fortresses of work, battle and defense, and that continuously strengthen the indissoluble unity between people and army. All of these factors demonstrate without a doubt the defensive orientation of Romanian military doctrine in total conformity with the vital interests of our people to defend peace, independence and national sovereignty. At the same time, Romania completely fulfills its obligations as a member of the Warsaw Pact; it cooperates with the armies of all socialist states as well as with other states, believing that in this way it can achieve a better mutual understanding and contribute to the cause of peace, detente and the security of peoples.

The activities and initiatives of our country and its president, Comrade Nicolae Ceausescu, to solve the military problems that confront the contemporary world are especially relevant. They address both the arms race and other related phenomena such as armed conflicts that are currently underway, military blocs, military bases on foreign soil, the military balance, strategic doctrines and so on. Experience has demonstrated that understanding detente even on political and economic levels among a group of states, without military disengagement, without a cessation of the arms race, cannot give the appropriate results.

Romania has declared itself in favor of the elimination of nuclear arms and is working tirelessly in that direction. Toward this end, our country actively supports the disarmament program proposed by the Soviet Union which envisions accomplishing this through a series of steps up to the year 2000. Romania also considers that proposals formulated by the United States and other countries constitute a basis for holding negotiations and coming to appropriate agreements. As is well-known, Romania has expressed its satisfaction regarding the understanding between the Soviet Union and the United States concerning the signing this year at a summit conference of an agreement for the elimination of medium-range tactical missiles. Our country has stressed that this accord should truly constitute an act of historic importance, opening the way for new actions toward nuclear and conventional disarmament, and for cooperation on a new, democratic basis among all states of the world. We must keep in mind that the road to achieving these vital desiderata of mankind is yet long and complicated. “It is now necessary—Comrade Nicolae Ceausescu points out—that all countries and first of all the countries of Europe—wherein most nuclear arms reside—work together most closely in this direction, to determine that on the territory of no European state shall there be any nuclear weapons whatsoever, and to act to eliminate nuclear weapons from the entire world.”



Romania maintains that mankind could take a decisive step toward a world of peace, without arms and without wars, if it would adopt a complex program of disarmament having nuclear disarmament as its primary goal, but also including chemical arms and all conventional weapons. Such a program should envision substantial reductions in military manpower, armaments and expenses. In this regard, Romania has proposed a package of measures including: the adoption by all states of an agreement to progressively reduce the level of conventional weapons and the numbers of troops under arms; the dismantling of military bases on the territories of other countries; the withdrawal of foreign troops to their own national boundaries and their demobilization; the establishment of demilitarized zones of security 15 to 20 kilometers inside of national frontiers, notification of large troop movements and maneuvers—especially multi-national exercises—near the frontiers of other states; the withdrawal of the military forces of the great powers from the Mediterranean and the Indian Ocean; the withdrawal of all foreign military navies from the Persian Gulf, cessation of maneuvers in international waters and the assurance of free navigation for all states. At the same time, our country has stressed the necessity to reach an agreement to freeze military budgets, and a draft resolution toward this end which was proposed by our country was recently adopted in the Commission for Matters of Policy and Security of the UN General Assembly.

There has been widespread positive reaction to our country's initiative for the unilateral five percent reduction of armaments, troops and military expenditures which was approved by all our people in a national referendum in November 1986. This act constitutes a concrete example of moving from declaration to fact to achieve disarmament. It demonstrates the resolve of the Romanian people to concentrate all of their efforts on peaceful construction, on raising the level of civilization and culture and on achieving the noble ideal of peace and cooperation among all nations of the world.

Our country works resolutely to strengthen cooperation and understanding in the Balkans, and to transfer this region into a zone of peace and fruitful cooperation, without nuclear or chemical arms and without foreign troops or military bases. At the same time, it supports efforts to create denuclearized zones in Northern and Central Europe, in the Mediterranean and in other parts of the world.

In Romania's view, it is more imperative than ever that efforts be intensified to resolve all litigious questions between states only through peaceful means, through negotiations and the renunciation of the politics of force and threats of force.

The current international situation remains particularly grave and complex. In the world a number of major actions are underway aimed at disarmament and peace. The great majority of states have declared themselves for

putting an end to the armed conflicts which are taking place in various parts of the globe. They stand for the solution of contentious questions only through peaceful channels. The forces of peace and anti-imperialism and those opposed to war have stepped up their activities; hundreds of millions of people everywhere have been united in this effort, regardless of their philosophical, political or religious convictions.

At the same time, the arms race, and especially the nuclear arms race continues unabated, areas of conflict and discord have grown, as have examples of the politics of force. In this regard, declarations and positions of some Western circles which argue the need to sustain the politics of force and threats of force, as well as armaments and doctrines based on "nuclear deterrence" cannot help but generate concern. For example, the American general, John Galvin, the new NATO commander-in-chief, argued in a recent article published in the French weekly, *L'EXPRESS*, that an agreement regarding the double zero option, that is the elimination of all American and Soviet missiles with ranges between 500 and 5000 kilometers, will have no effect on the NATO bloc strategy of flexible response and forward defense. "In order for deterrence to remain credible—he writes—NATO must maintain an adequate mix of nuclear and conventional forces. We must never forget that one of the trump cards of deterrence is the existence of aircraft, missiles and artillery that can deliver nuclear weapons and which are deployed in all of the NATO countries." Starting from this thesis, the author argues for modernizing tactical nuclear forces, equipping aircraft with medium-range nuclear missiles, developing conventional weapons and introducing new weapons such as multiple rocket launchers and high-precision guided projectiles, maintaining American troops on the territories of West European allies etc.

One can observe, then, that there are forces opposed to detente and peace, to efforts to halt the arms race and bring about disarmament. The persistence of old slogans such as "nuclear deterrence" denote a profoundly conservative attitude, intended to prevent agreements on disarmament and slow the affirmation of a course toward detente and peace which is an irreversible longing of mankind.

Despite this, it is imperative that all states, that all forces desirous of peace and security, be aware of the incalculable consequences of continuing the arms race and launching a nuclear war, and that they unite their efforts to bring about an evolution of events that will correspond to the fundamental longings of mankind.

Doubtless it is in the general interest that efforts and actions to ensure a positive evolution in international life be reflected in the arena of military doctrines. There should be qualitative changes in their content, the renunciation of outmoded and anachronistic ideas and the affirmation of new ideas and concepts that are in keeping with the realities of the contemporary world. Such an

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evolution should express an objective necessity, that basically, military doctrines cannot have completely autonomous rationales. They must be subordinate to political rationales and, in the nuclear age, there can be no other supreme rationale than that of safeguarding the

existence of mankind, of ensuring world peace and security, and implicitly, the peace and security of each country.

12280

## POLAND

### Foreign Investors Speak Out at 'Polonia' Society Economic Forum

26000156b Warsaw ZYCIE WARSZAWY in Polish  
15 Jan 88 p 2

[Article by Zbigniew Siwik: "To Attract Foreign Capital"]

[Text] We should understand that Poland will never be as attractive a partner for foreign capital as China or the Soviet Union. Therefore, our regulations have got to be more enticing, said Tadeusz Kwasniewski, chairman of the team for preparing draft amendments to regulations on foreign capital at the "Polonia" Society.

This statement reflects very well the views aired in the discussion at the meeting of the Economic Commission of the "Polonia" Society. This is not to say that the views were uniform and no arguments erupted during the discussion. For example, it was discussed whether the Polonia capital should in the future be treated preferentially to other foreign capital invested in our country or whether uniform regulations should apply to all foreign, including Polonia, enterprises and joint venture companies. The dominant view was that the legal status of foreign capital should be regulated by a single law formulated with care and a vision of the future, because the lack of constant legal conditions, making it impossible to plan profits and commitment of capital, is what discourages foreign investors the most.

Chairman of the Economic Commission Mieczyslaw F. Rakowski spoke about the need to draw up new regulations adequate for more than just 2 or 3 years into the future. He also expressed the conviction that a genuine turnaround in the treatment of foreign capital depends on the imagination of those in positions of power. As far as jealousy and egalitarian tendencies of the populace are concerned, they are no longer a significant obstacle to progress in this sphere.

Jerzy Malkowski, general secretary of the Committee for the Economic Reform of the Council of Ministers, appealed for creating a favorable environment for foreign capital, at the same time offering assurances that the government will, in the immediate future, vigorously work on such new arrangements.

Chairman of the "Interpolcom" [Polish-Polonia Chamber of Commerce] Tadeusz Kaminski made a very interesting and pragmatic suggestion. He stated that the set of new regulations should be prepared by a joint commission consisting of representatives from the Ministry of Finance, the "Polonia" Society, the "Interpolcom" and a government commissioner, because the drafts of new regulations prepared to date by any of the interested parties are immediately criticized by others.

In his turn, Tadeusz Kwasniewski suggested that deputies of parliament—members of the Economic Commission—submit in the Sejm their own draft of the new law on foreign capital on behalf of the "Polonia" Society.

Opinions of commission members who are foreign investors in our country were particularly interesting. They mainly pointed out that the Polonia investors, who were the first to risk investing in Poland, currently suffer a worse legal status than the investors in joint venture companies, because the former operate on the basis of the older 1982 law, whereas the latter—the more recent 1986 law.

It was also suggested that certain preferences be granted, especially by restricting formalities and facilitating the transfer of a part of the capital, for enterprises which are companies of a family living in Poland and abroad. Such companies could give a great boost to the development of crafts, and do it rapidly. Discouraging tax rates and low rates of hard currency allowances which restrict production and development were also mentioned.

However, new endeavors which foreign investors, and especially the Polonia companies, may embark on in Poland were also pointed out, e.g. by Stefan Lewandowski from Sweden: involvement in setting up a Polonia bank, investments in free trade zones, housing construction for those reemigrating, [with dwellings] sold rapidly for hard currency, organization of catalog sales and leasing companies etc.

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### FRG 'Polonia' Firm Owner Recounts Bureaucratic Entanglements

26000175 Warsaw ODRÓDZENIE in Polish No 4,  
23 Jan 88 p 3

[Interview with Herman Schmidtendorf, owner, Polonia firm "POLMER" in Kosciarna, by Stanislaw Mienkowski]

[Text] [Question] You are one of 700 owners of Polonia enterprises. There would be nothing strange in this if it were not for the fact that you are a German and not one of the Poles.

[Answer] On one hand, this is proof of the far-reaching changes that have been made in Poland since August 1980; on the other hand, it is confirmation of the lack of candidness and incongruence of your regulations with the realities and peculiarities of foreign capital.

[Question] As far as I know, you are also involved in business with the West.

[Answer] I think that this is normal. I also have a cultural agency, "Inter Art," which deals with an exchange of musicians and other representatives of Polish culture.

[Question] How did your connections with the East come about?

[Answer] I know and like the Slavic countries, and rather well at that. My subjects at the University in Munster included Slavic studies, the history of Eastern Europe, and political science. In addition, during my period of studies under the aegis of SPD, I was involved in contacts with Poland and other socialist countries.

[Question] In a word, you were being trained to be a "Man of the East." Were you not afraid of being labelled a "red capitalist" or of being suspected of being a secret agent?

[Answer] Anyone from the West who works with the Eastern Bloc must be prepared to be so labelled.

[Question] Since ties with Poland carry with them the risk of unpleasant consequences, what made you locate your firms in our country?

[Answer] I wanted to prove that contrary to the constant burden of the legacy of the past and other management logic, it is possible to work with Poland and do a rather good business, beneficial to both sides.

[Question] What does it take to start up such a business?

[Answer] First of all, a familiarity with the country and its customs, the language and the people, everything that is specific to Poland.

[Question] You are speaking about psychological barriers?

[Answer] More than that. In order to enter into a foreign market, one must have one's own capital and not count simply on local credits. One must assemble competent advisors, have a thorough knowledge of legal, organizational and financial entanglements, make a detailed study of the complicated, in a socialist system, political environment, and also know enough about the market (domestic and foreign) to know what it would be profitable to engage in.

[Question] Why do you have to study our market when it is obvious that everything on it can be sold?

[Answer] Maybe everything is selling, but not everything can be sold at a profit. Initially, for example, I wanted to handle videos, but I abandoned that idea because videos (just as very many other things used every day) are considered to be a luxury in Poland, therefore, I would be heavily taxed. I preferred to give that up. Now I have permission to sell medical equipment, computer programs, plastics, etc. A great deal from the field of electronics. Fourteen tasks and no more.

[Question] After all, the demand for items in this field is almost unlimited...

[Answer] Yes, except that in Poland it is not the market which determines the range of the needs, but regulations and officials—those empowered to issue permits and bans, and they are not in touch with reality. All of this is catalogued. But to follow the laws of the market, on one's own, carries with it the risk of permit cancellation and bankruptcy.

[Question] And, in your opinion, how should it be?

[Answer] Normally. The needs of the market should decide, and not the orders and prohibitions which trammel enterprise. In Poland one has to be an unusually good acrobat to escape all of these entanglements. The less strong are appalled by the inflation of regulations, the copy (reproduction) law, and the telephone law. This gives the impression that the rules of the game are very secret.

[Question] It is different in the West?

[Answer] It is definitely different. Every two weeks I receive a "gold book" which contains everything in the field of economic law. It contains new regulations and judicial decisions. The game is played with the cards face up and the one who uses these cards best comes out the winner. The state should be interested in a growth of profits in all economic organizations, because that is the source of the taxes. The state cannot feed itself off of the poor. What I am saying—the state even has to help the poor in the form of all kinds of subsidies and allowances. The situation should look like this: No restrictions on the beginning or the scope of operations, less control and more incentive for business, honest earnings and high profits, with equally high taxes. Under this formula, everyone comes out well—the employee, the owner of the firm, and the state.

[Question] I believe that the foreign firms are making out all right. More and more of their articles are appearing on the market. But a great deal is also appearing about you in the media. No one can match you in advertising.

[Answer] The saying "advertising is the mainspring of sales" is very correct in the case of overproduction, when one must fight for the sales market and for buyers. In Poland there is still the belief that advertising is an unessential expenditure.

[Question] And no wonder. Because we have become accustomed to an economy of scarcity, advertising costs are nothing but an unwarranted extravagance.

[Answer] This is reflected in the regulations which are incomprehensible to me. For example, it was decided by a higher authority that my "entertainment and advertising fund" cannot exceed 2 percent of the firm's sales.

[Question] And if you forget and exceed this limit?

[Answer] Than I have to cover it out of my own profit. It is understandable to me that in the interest of the state there is a limit on the extravagance of official entertainment costs, and especially on "official dinners" and small gifts. But can this be compared with spending these same sums for actual advertising, perhaps in the mass media? I am personally in favor of a small ad in a newspaper, instead of an all-night banquet which can be entertaining to me, and for the firm can be only an anti-advertisement. The right solution in state policy, therefore, would be not to limit our (the firm's) expenditures for advertising costs. After all, the state, which has a monopoly on advertising in the mass media, makes money on this. The firm does not make money until later.

[Question] Is it the same with direct-sales expenses and undocumented expenditures?

[Answer] You do not see our salesmen because—and this is another paradox—we are not allowed to sell our own goods through our own sales representatives outside the headquarters of our firm.

I cannot produce outside the area of our headquarters either, unless I am granted a permit to open a branch in a given province, and this involves such complex and time-consuming formalities that for all intents and purposes it is almost the same as opening up a new firm,

[Question] What lies behind the undocumented expenditures? It is no secret that many people associate them with the extravagant life that businessmen lead, which—let us admit—irritates our countrymen who can hardly make ends meet.

[Answer] I don't know what an "extravagant way of life" means to you. Is it because I drive a Mercedes? Let me say that a Mercedes is not synonymous with luxury. In the 1970's, when the duty tariff was still favorable, many Poles brought in these vehicles simply because these are automobiles which are technically good, and not luxuries. That is why, since I drive over 100,00 km a year, I decided to buy a dependable automobile.

[Question] Well, and how about the high living in the luxury hotels?

[Answer] I have paid from 800 zlotys a day in a small second-rate hotel to 32,000 zlotys a day in the Victoria Hotel. As you see, the difference is enormous. Except that I could ask you, sir, why we foreigners have to pay six times as much as a Pole pays for the same accommodations? But let us ask that question of the management of "Orbis." The answer, I suspect, would interest not only me, but the entire Polish society. I will admit to you that I personally stay in these luxury hotels with great reluctance.

[Question] Why?

[Answer] Because first of all, this is not a real luxury, and those who use them regularly try very hard to make them appear so and they are not foreigners at all. Anyway, the idea of what is a luxury is very relative.

[Question] And on the subject of undocumented expenditures you have nothing to say?

[Answer] Oh, but I do, and a great deal, at that. But why expose your absurdities so mercilessly. The whole matter comes down to the fact that we must enter essential company expenditures in my private profit account, because shops do not always have the right to issue a bill to a company name. This method of billing leads to an overstatement of an owner's profits, because these profits include a portion of the costs which were actually incurred.

[Question] Are you saying that you have to make an awful lot of money to maintain the firm and show a profit?

[Answer] Please, sir, I know that in Poland those who admit that they are wealthy are making a mistake, but it would not be honest of me to pretend that I am operating a business in Poland simply out of altruism. No, I want to conduct an honest business. The point is—as I have attempted to show—that this is not always easy. For example, let us talk about another oddity—transfers. It appears that in Poland 10 percent does not always mean 10 percent.

[Question] ?

[Answer] You do not believe me? Well, theoretically I have the right to take out of the country in foreign exchange 10 percent of the amount I invested in foreign exchange initially. But unfortunately, experience has shown that this sum is reduced by almost one-half. This is due, on one hand, to changes in the rate of the zloty to the dollar, and on the other hand, to the special way the value of the initial investment is computed. The procedure is so complicated that it would be difficult to describe it in a few words. Furthermore, in reality the payment of this 10 percent is dependent on certification of the balance sheet by the taxation office, which often occurs after a long delay. In addition, these delays make it difficult for the owner to export goods out of his profit—export which could be favorable under the country's balance of payments situation. Until the balance sheet is certified there is no money out of which to finance export. We should also remember, that the regulations in effect order the owner to give half of the foreign exchange receipts obtained from this type of export to the state.

[Question] Well, yes, but the Polonia firms are reproached for not being aggressive enough in entering the Western markets.

[Answer] That is a misunderstanding. Personally, I am interested in three markets: the Polish market, the East European market, and the Western market. The problem is that I really have little to say. Almost everything is decided by the foreign trade offices and the ministry of foreign trade, since they are the ones which hold the trump card—the monopoly of approving prices.

[Question] That means that you are not a partner of the West.

[Answer] I am a partner of some kind but I cannot propose my own prices.

[Question] Because the ministry of foreign trade holds to the fair-price theory.

[Answer] But the market is not controlled by bureaucratic criteria of fairness. Furthermore, if the state takes 50 percent of my foreign exchange (and if this were only from my net sales) then comes the moment when this business loses its attraction for me. It is a peculiar kind of embargo. You see, sir, this is not even my idea. This thesis was developed and described by professor of economics Schumann, who happens to be from Munster—my town, and who, by the way, is an honorary member of the Oscar Lange Academy in Wroclaw. But even aside from such scientific authorities, my economic activities in Poland are being observed by many of my colleagues affiliated in the FRG Small-Scale Industrialists Union (BDS) as well as some of my own party (SPD) in the Bundestag.

[Question] I can imagine how enthusiastic they are to trade with us after such a conversation with you...

[Answer] In my talks with them I try consciously to omit the difficult aspects of economic activity in Poland because I do not want to frighten away any potential partners and investors. As you see, I am always the optimist.

[Question] But does not the problem of the embargo on imports of computers to Poland scare away your colleagues?

[Answer] In my country too, some unhealthy processes occur. For example: In order to export a simple computer of the IBM PC type, I must have the permission of the office on the transfer of technology in Eschborn FRG. Everyone in the FRG knows that this is ridiculous, but under the influence of American restrictions it is practiced. This reminds me of the problem I had in opening a branch of my firm in Poland—this also takes up to six months. The conclusion—administration is the same everywhere.

[Question] As I listen to you a question comes to mind which, I think, I must ask in this interview: How does a foreigner from another political system feel in Poland?

[Answer] Like a king without land!

[Question] And I thought like a shark.

[Answer] I am a "king" because I have capital, considerable profits, and a not-too-bad professional and social position. Outside of that I have nothing, because Polish law does not permit a foreigner to sink roots. A foreigner is seen as capital, not as a person. And as to that shark: why, sir, are you comparing me to a predatory animal? Is this not an inborn prejudice?

[Question] That is the popular belief.

[Answer] In that case, it would be well for the public to realize that I employ 60 people who, thanks to me, are getting high pay in Poland and working no more than 8 hours a day. And I, and certain people from my enterprise, work 16 hours or more if necessary. If you, sir, just once made the long trip from the FRG to Poland, if you were to pass those three borders, than perhaps you would understand, and then you would compare me not only with a predatory shark but also with a toiling ant.

[Question] Oh how you exaggerate!

[Answer] I will prove to you that I am not. My firm has some automobiles, but when I had an accident with my Western car I was not allowed, as the driver, to cross the Polish border with a company car. Had the car been driven by one of my Polish employees, e.g., my agent, it would have been different. Than it would have been all right. And that is how it is with everything. On the other hand, the role and powers of the agent are almost unlimited. It is he who has full power, and not I. An example of the absurdity of this is the fact that it is he who has the right to all of the firm's accounts, and not I. If I did not give my agent this power I would have to spend all of my time in Poland.

[Question] Maybe this is really the point.

[Answer] I would be willing to agree to such an arrangement, but there are also other regulations which force me to be in Poland on the entry and departure rule.

[Question] That surprises me, for you have a permit to operate a business for a period of 20 years.

[Answer] Yes, but I receive a visa for a maximum of 6 months. Where is the confidence and stability in this? In Poland, investors—nonethnic foreigners—do not have a right to permanent residence. I do not know why such a problem is created for them, because we are talking about scarcely a few hundred people who are useful to this country.

[Question] I must admit that I do not understand why you are fighting for another status.

[Answer] Sir, I am not fighting, but I expect, as probably other foreign investors do, that basic conditions will be created for the operation of businesses which will be beneficial to both sides. Probably under other circumstances I would be interested in buying land or a house. I could freely have (as a real owner) that which my firm has.

[Question] But if you had Polish citizenship you could not be the owner of such a firm.

[Answer] That is also true. And, in general, this is an interesting position for an owner to be in the light of Polish law. The owner does not work because he is the owner, and all of his expenses are not charged to the costs of the firm but to the profits of the owner. For example, I am not able to obtain a place to live and so when I stay in Warsaw I pay each day for a hotel out of my own pocket. I do not cost the firm anything.

[Question] In short, you conduct a business in Poland, but in actuality you do not work..

[Answer] That's what it looks like. Yet in the West it is the owner who works the hardest. It appears from this that in Poland work is defined as something which is contingent. There is no pragmatic approach here.

[Question] And one more issue. Many people believe that Polonia firms operate only to make a profit and do extremely little for the community in which they function.

[Answer] I do not understand you. Is there something wrong in my wanting to make a profit? After all, a firm which does not work towards this is heading for bankruptcy. Profit, therefore, is what determines the health of the firm. Nor should we forget about such "details" as the inflow of modern technology, the opportunity to observe another organization of work, more money for those employed in these firms, and the presence of new items on the domestic and foreign market. And about other things? I gave a school a computer. I financed a jazz festival in Szczecin. We are enlarging and restoring a historical building in Kosciarna in which a youth club will be housed. I covered all the costs of a scientific conference of attorneys from Adam Mickiewicz University in Poznan and from the West Berlin University. I will say simply that we want to live in symbiosis and not be an unwanted transplant.

[Interviewer] Thank you for the interview.

9295

### **Judicial Ruling on Commerce Bank Favors Enterprise**

*26000156d Warsaw ZYCIE WARSZAWY in Polish  
15 Jan 88 p 3*

[Article by (AG): "'Uniontex' Wins"]

[Text] A journalist signing (AG) writes in EXPRESS ILUSTROWANY published in Lodz:

"The Uniontex Enterprise has won an unusual dispute with the Commerce Bank SA in Warsaw. The issue: a delay in the issuance of a letter of credit by the bank, because of which the enterprise in Lodz lost 235 million zlotys.

The Italian company Savio was the contractor for the Uniontex; it agreed to sell 6 winding machines needed for a thin yarn spinning mill. The Italians made a provision in the contract that the Warsaw Commerce Bank in which the Lodz enterprise has a dollar account should issue a letter of credit no later than 15 November 1985. Despite dunning letters, the bank did not issue it. The letter was issued as many as 13 months later, hence the loss.

The district arbitration commission took the view that accusations against the bank were correct. However, damages of only 5 million zlotys were awarded. This was in consideration of the fact that the prime minister has relieved the bank of some responsibility for delaying payments by setting up a group for coordinating hard currency expenditures, which somehow stands above the bank."

9761

### **NBP President Clarifies Bank, Ministerial Roles, Notes Credit Problems**

*26000156c Warsaw ZYCIE WARSZAWY in Polish  
16, 17 Jan 88 p 2*

[Article by Zbigniew Siwik: "The Growing Role of Banks"]

[Text] In response to imputations by foreign journalists that monetary projections have not been borne out, chairman of the NBP [National Bank of Poland] said at a press conference on Thursday that he did not say in the Sejm what has been attributed to him; this was actually stated by the minister of finance. He proceeded to outline the differences between the functions of the minister of finance and the NBP, pointing up quite good conformity of the growth of money supply, credit and currency emission with projections by the bank for last year. He recalled that the NBP urged the Sejm not to grant government authority to the minister of finance to obtain credit from the NBP to cover the budget deficit.

"The Sejm agreed with this suggestion, and the government can secure such credit only with the consent of parliament expressed at the time the budget law is passed," said chairman Baka.

He also promised to reinforce the policy of tight credit for enterprises, make the prime rate more realistic and set up as soon as this year a network of 9 commercial credit banks which will compete for the business of good enterprises and for whose credit the enterprises will compete in their turn.

Many gloomy facts concerning our currency were stated at the conference: the budget deficit is growing; the inflationary gap is reaching 500 billion zlotys; this year, inflation will come up to 42-44 percent (including increased prices for alcohol and cigarettes and consequences of price raises made last year); foreign debt will continue to grow...

However, there were also optimistic pieces of information: the year 1991 will be the watershed after which the process of reducing the debt will begin. This is possible due to agreements made with our creditors from the Club of Paris, due to a program of reforming our economy submitted to the International Monetary Fund and the World Bank (the latter will likely provide a credit of about \$250 million to Poland this year), due to favorable price ratios in the world market and to increased exports by autonomous enterprises. To be sure, the debt has increased by \$4.1 billion; however, only \$1.5 billion is the result of failure to pay interest, whereas \$2.9 billion is due to the falling dollar. If we were to make calculations in [West German] marks, then our debt would be DM 3 billion lower.

Responding to a question by a ZYCIE WARSZAWY correspondent on his opinion of considerable liberalization in the turnover of currency among enterprises, which has been criticized by some columnists, Wladyslaw Baka stated that "boosting this turnover, controversial as it might be, is the result of a decision to proceed towards the convertibility of the zloty gradually, but to begin it right now. On this assumption, transfers of funds among enterprises within the framework of retained hard currency allowances are treated as an important driving force for economic development."

9761

#### **Advantages of Creating Free Trade Zone in Szczecin Examined**

26000160 Warsaw PRAWO I ZYCIE in Polish  
30 Jan 88 p 6

[Interview with Dr Waldemar Grzywacz, University of Szczecin professor and director of group advocating free trade zone in Szczecin, by Andrzej Studzinski]

[Question] Professor, why the great interest now in free trade zones? We know, of course, that such zones were in operation in ports in Gdynia and Gdansk before the

Second World War (they were called Duty-Free Areas) and in Szczecin it was called the Czechoslovak zone (a place assigned in the port for storing Czech goods). These zones were reactivated after the war ended but were soon eliminated administratively as having no reason to exist in a socialist economy.

[Answer] In order to complete the historical account, let me mention only that there was also a duty-free zone in Szczecin. It was set up by the Germans in 1896. The problem, therefore, apparently is not completely new and recurs in our country every once in a while. The present interest is connected with the second stage of economic reform and the search for any and all solutions which might be of benefit to Poland from the standpoint of innovation and efficiency. Among other things, we do not want to ignore any solutions which have proven to be correct elsewhere in the world. And free trade zones are the most proven method of reviving the economy. Suffice to say, there are over 300 such zones in the world. Therefore, we should also think about having them in Poland.

[Question] Do the present concepts envisage a return to old models and do such zones have a chance at existence in the region of the Baltic Sea, which is located alongside world shipping and trade routes?

[Answer] No. This model is no longer correct for us because of our geographical location. That is why the benefits which normally flow from free trade zones would not be sufficient for us. And so we must strive to create something on the model of what the world is now doing. I am referring to special economic zones located near free trade zones.

[Question] As we know, our foreign trade is not particularly attractive to partners from other country, and especially those from the second payments area. Is there something, therefore, that would interest foreign partners in Poland?

[Answer] Poland's share of foreign trade in world trade is scandalously small and is really not in proportion with either the size of our country, its population, or even the size of our economy. That is why the benefits alone which stem from a free trade zone—i.e., elimination of tariff barriers, consignment warehouses, and the possibility of trade turnovers in such a zone—certainly will not encourage foreign capital. But one element which we underestimate, possibly because we ourselves do not know how to make the best use of it, is the fact that Poland has a skilled and cheap labor force. Labor in Poland is really relatively very cheap and that is why many foreign customers would be interested in utilizing this part of the production force of our economy, especially for labor-intensive production which the West is now seeking to avoid.



Contrary to what it may seem, such production can be very modern. For example, electronics assembly still continues to be a manual operation to a great degree, except that it is skilled work. Another example is the assembly of the latest automobiles. But similar economic endeavors are possible only within a special economic zone, which means that a portside industry must be organized in this zone, an industry which develops thanks to the availability of a free trade zone (elimination of tariff barriers and customs duties). It uses raw materials and equipment which is immediately employed in production and after it is processed (finished) it is exported through the free trade zone.

[Question] But why Szczecin?

[Answer] For two reasons. Of all the Polish ports Szczecin is best from the standpoint of location, not only for free trade zones but especially for special economic zones. In addition, because of its sea-river location, it will be possible to export to all Eastern countries from Szczecin. There are similar, although slightly worse, conditions also in Gdansk and, as far as I know, Gdansk is also considering the setting-up of such a zone. But in the case of Gdynia the situation is different. Gdynia does not have the land.

Under our conditions a free trade zone is only the starting point for further development in the direction of a special economic zone. It is worth noting that the attractiveness of Szczecin also lies in its expanded textile and garment industry (the Dana and Odra factories) which could quite rapidly build in the area assigned to the special economic zone.

And the land which I mentioned consists of an enormous tract on the right and left sides of Szczecin Bay, and two islands: Ostrow Grabowski and Ostrow Mielenski, each covering a few hundred hectares.

[Question] Right now our achievements and actions aimed at attracting foreign capital to Poland are more than modest. There are no preferences or privileges, either practically or theoretically. In comparison with the conditions created for foreign capital in the Soviet Union or in Hungary, for example, we are far behind. Should we expect a radical change in this position?

[Answer] The official establishment of a free trade zone by issuance of a charter or act of foundation will do nothing for us. The central government is willing to change its position, and in any case to establish a free trade zone in Poland. But I am afraid that the legislators will not demonstrate undue restraint in creating advantages for foreign capital, just as is the case up to now. Yet in special economic zones the conditions for the operation of foreign capital must be even better than they are in the entire country as a whole. There are many examples of bold actions throughout the world. Right now, China is most dynamic and expansive in this regard.

[Question] The establishment of such a zone—I am referring now to only a free trade zone—certainly requires large investment outlays. Where is this money supposed to come from?

[Answer] I believe that in the first stage this could even take place without investment. After all, the port has its own infrastructure. Therefore, a section of it, together with the appropriate equipment, could be assigned to such a zone. During the first stage, operations could be conducted most probably by a company, in which the main shareholder would be the Szczecin Port Board and the other shareholders would be the closest port associates. I am referring to Hartwig, the Polish State Railway, and import-export enterprises. Thus the operations initially would be supported by the assets of the shareholders of the new company. This first stage would produce certain financial benefits. Part of the profit could be accumulated for further development of the zone.

In the second stage, the company would encourage Polish enterprises to invest their capital in the zone and in the adjoining areas in order to establish a processing or production industry. And if foreign customers then saw that such operations bring benefits to Polish enterprises, this would encourage them to invest their own capital. This would be the real beginning of the development of a special industrial-economic zone, based on a free trade zone.

[Question] And thus indirectly attract foreign capital. Except that all of this would take a very long time. Therefore, is it worth setting up these zones?

[Answer] In my opinion, there is no other way. Foreign capital will come when it realizes that Polish capital guarantees unusual benefits. These benefits must be real and lasting. And the fundamental guarantee for foreign customers is the ability to repatriate capital and transfer profits. And one more thing. A zone is a live and pulsating economic organism which often operates on the principle of a stock market. The decisions made in the zone are decisions made in a minute, transmitted by telephone or telex. Naturally, specific legal and administrative procedures must follow. It is at this very moment that serious fears arise as to the inclination of the state or economic administration to put a stop to these quick decisions. Thus, if actions of a traditionally Polish nature collide with these decisions, settlement of a matter may take not just weeks, but even months, and the zone will not develop.

[Question] In your opinion, Professor, what legislative actions should be taken? We know that it has been legally possible since 1975 to set up a free trade zone by writing a tariff law into the 26 March 1975 law. Art 6 par 2 gives the government the right to do so: "The Council of Ministers may, by decree, establish duty-free areas on a

Polish duty area and specify the rules for sales of goods between the duty-free area and foreign countries, as well as between the duty-free area and the remaining duty area."

[Answer] I believe that a separate law on special economic and duty-free zones should be published. This law would include specific standard conditions for operation of the zones, i.e., a description of the management method, state control, a guarantee of the state's interests, a time guarantee for foreign capital (e.g., in regard to leasing of land), etc. Otherwise no one will take a chance on beginning any kind of economic activity in Poland.

[Question] We have a rule that when something is created, the results must be fast and measurable in the financial sense. What would this be like in the case of zones?

[Answer] I believe that in the case of zones the greatest benefit is the revivification of trade. This means a specific set of industrial conditions and consequently, the ability to transfer technology and engineering from zones to a country. This, in turn, will, over the long term speed up technical progress and change the infrastructure. And finally, something which I believe to be one of the greatest advantages of the zone in our case: transfer of the world system of management to Poland. The zones are—and I always return to this—a live and dynamic organism. And that is also how they must be managed. Dynamically and innovatively, based on world rules of play. True, a great deal is said in our country about a manager system, but we still do not have one. We do not have one because we have no favorable examples. And such examples of a manager style of management may really come out of the zones. Naturally, there will also be profits in the form of receipts from payments. But they will not be large because, after all, a wide range of exemptions and allowances will have to be applied. Therefore, we certainly will not be able to count on large unitary profits and benefits. We will be able to achieve such profits only in the future, through industrial expansion. That is an old business rule. Small profits and small unitary benefits produce large total profits as a result of wide-scale development. That is a rule which we, unfortunately, do not know how to apply.

[Question] How soon do you expect that such a zone or zones will be established?

[Answer] Everything depends on the central authorities and how soon the legal right to set up a free trade zone is taken advantage of and the specific conditions for establishing an economic zone are complied with. When that is done, such a zone would appear in Szczecin in a short time.

[Interviewer] Thank you for the interview.

## ROMANIA

### Increased Exports of Industrial Products

27000046 Bucharest *REVISTA ECONOMICA*  
in Romanian 11 Dec 87 pp 18, 19

[Article by Ovidiu Rujan: "Improving the Structure of International Economic Exchanges"]

[Text] The multilateral, balanced development of Romania's economy has brought it a firm, rising development, even under the conditions of the marked instability of the world economy in the last decade. Romania has surpassed the average world growth for the main economic indicators.

This strong development has been caused by the permanent improvement in the structure of our entire national economy in agreement with the demands of the pronounced development of production forces, modern technical progress and the move to the intensive type of broadened socialist capital replacement. In the framework of this broad process of improving the structure of production according to social need, in conformity with the strategic goals for Romania's social-economic development, foreign economic exchanges have exercised a notable effect: optimization of the structure of the national production has been accompanied by optimization of the structure of foreign trade. Permanently achieving a structure of foreign economic exchanges which are appropriate for the needs of balanced development at the high rate of the national economy has contributed to solving the contradiction between the requirement of the social need which is constantly changing and the relative inertia of production structures.

A condition of the predominant development of the export of industrial products in the last two decades has been the higher rise of industry compared with the other branches of the national economy, but at the same time it has been favored, to a large extent contributing to the achievement of it. The growth rate of the export of industrial products surpassed that of production, thus contributing to the increase in percentage of industrial products in Romania's exports and, at the same time, to improvement in the proportions between industry and agriculture in the national income.

The interdependence between the structure of production and that of export also has led to a permanent improvement in the proportions between the subbranches of industry, shown by the ratio between groups A and B, between the extraction and processing industry. In the 1965-85 period exports surpassed production for group A in rate, thus representing the dynamic factor in improvement of industrial structure. At the same time, export surpassed production in processed products so

that in 1985 the specific weight of group A, that is, of processed products, in the structure of export of Romania's industrial products surpassed the one corresponding to production.

The role of export in improving the structure of industrial production is strikingly shown by the notable leap of products in group A in the structure of export compared with that of industrial production: Whereas in 1965 the specific weight of this group in total industrial production was more than double that in the structure of export of industrial products in 1985, export surpassed production.

The trend recorded at the level of group A also is seen in the development of the machine construction industry and chemical industry, for which export saw a faster evolution than production.

Taking import also into consideration, Romania's contribution to the world circulation of material values at higher and higher levels of quality is notable: Whereas in 1965 the structure of Romania's foreign economic exchanges was characterized primarily by the function of exports as "input" for obtaining imports as "output", the coefficient of change (the ratio between the value of imports of processed products and that of exports of primary products) was 1.51, in 1985 the functions of the two flows was reversed: the function of import as "input" predominated for achieving export as "output." The coefficient of change expressed in this case as the ratio between the value of export of processed products and that of import of raw products rose to 1.31 in 1985.

The iron and steel industry is illustrative for correlating the flows of import and export and the level of production, where the coefficient of change of raw material into processed products (calculated on the basis of physical sizes) represented 9 percent in 1965 and 13 percent in 1985.

The qualitative improvement of Romania's participation in the international circulation of material values naturally was also accompanied by its quantitative growth, with Romania's share in world exports rising from .58 percent in 1965 to .71 percent in 1985. The continually improving modern structure of foreign economic exchanges permitted Romania to reach one of the highest rates of economic growth in the world in the 1981-1985 period, even under conditions of a 22-percent reduction in imports. Throughout the two decades, together with extending the volume of exports there was a broader list of them, at the same time raising their technical and quality level.

The machine construction industry, the main subbranch of Romanian industry, although as far as labor productivity is concerned it still has not surpassed the average for the branch, has seen a notable rise in exports, representing more than one-third of its volume. Whereas

in previous decades the exports of machinery and equipment were a way to carry out production of train cars, oil equipment and tractors, following 1965 it also included diesel and electric locomotives, personal cars, radios, televisions and computer technology. Today products of fine mechanics, bearings, technological equipment and complex installations, electric motors, ships and so forth have continually increasing importance.

The chemical industry, the industrial subbranch whose level of labor productivity is much above the average for the branch, is recording a high rate of exports which is higher than that of countries with old traditions in this area. The conditions for international competitiveness of this subbranch of Romanian industry are offered by the high level of national scientific research, the application of highly productive new technologies, the use of the advantages of specialization and international cooperation in production and sales, improvement in the structure of exports by increasing the number of products with advanced processing.

The trend for improving structure and exports also applies to the iron and steel industry, in the current five-year plan predominantly oriented toward products which utilize raw materials at a high level (cold-rolled thin sheet, for bodies, zinc-plated, contours of special steels, alloys, highly resistant pipes and so forth). Light industry, which uses around 25 percent of total production on the foreign market (even more than 50 percent for clothing and knitwear) is characterized by superior utilization of raw materials—partly from imports—and live labor. Furniture production, although with a labor productivity below the average for industry, is producing more than 30 percent of its products on the foreign market. These subbranches are characterized by a great variety of types, with most of the range of production being renewed annually.

Romania is taking firm action for strict respect for the principles of equal rights in international relations, plus independence and national sovereignty, noninterference in internal affairs, mutual advantage, rejection of force and threatening with force. On this basis Romania has intensified its participation in world economic circulation, including by extending and diversifying the geographical area of foreign economic exchanges, currently having economic relations with 150 countries, compared with 131 in 1979 and 29 in 1950.

Developing relations of collaboration with all countries, regardless of their social system, Romania is militating for placing these relations on lasting political and legal bases, by concluding commercial and payment agreements and long-term agreements for economic and scientific-technical cooperation. Nearly 800 such agreements concluded with other countries are currently in force. A decisive role in concluding these agreements was played by the many contracts and talks held by the leader of our party and state with various heads of state, an eloquent expression of the dynamism of Romanian

foreign policy and the consistency with which Comrade Nicolae Ceausescu is taking action to broaden ties of friendship and collaboration of Romania with all states.

Romania is giving special attention to economic, scientific and technical cooperation as an advanced form of economic relations among countries, alongside traditional forms of commercial exchanges. On the basis of foreign economic cooperation nearly one-third of Romania's exports are currently being carried out and a large proportion of the national economy's supply with raw materials is being provided. This modern form of foreign economic relations will also see a notable broadening in the future, with the promoting of high forms of cooperation, particularly construction and joint operation of industrial projects abroad, the formation of joint societies for commercialization of Romanian products in the international market, transportation, in the banking area, insurance and so forth all being in the center of attention.

An important role in providing future stability for foreign economic relations belongs to the long-term agreements and contracts concluded with foreign partners, which permit good organization of production for exports and having long-term provision for sales, thus creating favorable conditions for continually raising the technical and quality level of these goods. At the same time, along with the export of goods, the exports of technical and engineering knowledge are being extended, plus providing licenses, making studies and draft plans for foreign clients, providing technical assistance, specialized consulting, know-how, training of specialists and so forth—all these activities leading to continual improvement in the structure of exports, providing of higher complexity, in the end specifically a rise in the competitiveness and effectiveness of Romanian exports.

Consistently promoting a policy of broad participation in the world exchange of material and spiritual values, Romania is deeply concerned with overcoming the phenomena of crisis and instability which are characterizing the world economy, with solving the serious problems confronting the developing countries, particularly their giant foreign debt, which seriously affects their participation in world trade and Romania is militating for reorganization of international economic relations and placing them on new, equal, mutually advantageous bases, which would permit the independent development of all countries.

The notable improvement in the structure of national production and of Romania's foreign economic exchanges follows along the line of the goals and tasks drawn in this area by the Directives of the 13th party congress. Intensive development of the national economy, at the same time, requires greater and greater growth in the contribution of exports to utilization of the production of Romanian industry. As the party's secretary general, Comrade Nicolae Ceausescu, stressed: "We must propose to take action so that exports reach at least

40 percent of the volume of industrial activity. Only in this way shall we provide a normal flow of our social-economic activity" (Footnote) (Nicolae Ceausescu, "Speech at the RCP CC Plenum of 5 October 1987, SCINTEIA, 6 October 1987).

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## YUGOSLAVIA

**Inherent Inflationary Pressures Described**  
28000070 Belgrade NEDELJNE INFORMATIVNE  
NOVINE in Serbo-Croatian 3 Jan 88 pp 7, 8

[Article by Scepan Rabrenovic: "There Is No Way Without Inflation"]

[Text] A session of the Chamber of Republics and Provinces of the Assembly of Yugoslavia was scheduled for Sunday, 27 December, to adopt the annual resolution and other accompanying documents. The chairmen of delegations met in the early morning hours of the day before and communicated all the things their respective republics and provinces were insisting on. After that, Chamber president Drasko Popovic was unable to say when the session of the Chamber of Republics and Provinces would be held. There was no way he could have in view of all the demands.

This is the first time the various republics have made adoption of the annual resolution dependent upon simultaneous adoption of certain laws and measures. The Constitution of Yugoslavia does not envisage the possibility of that kind of conditionality.

One gets the impression that the republics and provinces have never before insisted so much on their demands in reaching agreement on the annual resolution. This is no accident. In earlier years there were material reserves and also opportunities to make up some of what was being taken away. This time they have all come to the Assembly of Yugoslavia with empty pockets. The high rate of inflation during 1987 has nullified the efforts of even the best. Now there are no longer any who are better; all are worse—some less, some more.

### Nothing To Count On

It is important in such a situation that each of the federal units take the best starting position it can. But the crush around the starting gate is unprecedented. Serbia, for example, is insisting on more rapid elimination of the difference in electric power rates and on different arrangements concerning exports to bilateral payments countries. Then there is the unfavorable position of Serbian contractors working on projects abroad, whom the government has made unhappy. Macedonia is most interested in the results of postponing the foreign debt and exchange rate differences, and that is also the case of Montenegro, Kosovo, and Bosnia-Herzegovina, except

that Kosovo is also insisting on money for faster development and to finance the social services. Croatia, but it is not alone in this, is demanding more rapid liberalization of prices, a moderately restrictive credit and monetary policy, while Vojvodina wants improvement of the position of food producers in the reform. Slovenia and Croatia, then, are demanding a new foreign exchange law.

Interests concerning redistribution are actually hidden behind demands phrased in this way. After all, what is now being adopted will be in effect throughout 1988. To be sure, much of what is adopted may not come about, but then that will be a good opportunity to take the best possible starting position in some other test of strength.

The character of the annual resolution itself or of the policy that arises from it is less important. And as for the actual draft of the resolution for 1988, that document is really unreliable, since no one knows what will happen next year or what might happen after the federal refrigerator is opened. The main question is this: After that, will the federal government conduct a different policy than up to now; that is, will it in the meantime manage to carry out all the changes in the economic and political system which will make the economy independent and responsible for its own conduct of business on the domestic and foreign markets? Or will the federal government continue to declare itself in favor of market criteria of economic activity, but conduct a policy of administrative socialism that is based on arbitration and redistributions?

This does not seem to interest the delegates very much. And how could it interest them when there is not a single thing they can be certain of and when they can only assume that Branko Mikulic's government cannot "go against its own nature"? After all, everything that government has done so far has been the opposite of what it promised and what it announced: Yugoslavia's economy is now further from market conditions of economic activity than it was before 15 May 1986 when that government "took power."

If the only thing certain is that this government will say one thing and do another, then one can understand the insistence of the delegates on those arrangements which in the policy of redistribution suit them best.

#### A New Commission

And all of this is happening in a situation where the federal government is announcing that it has formed a Commission for Additional Construction of the Economic System. The chairman of that commission is Branko Mikulic, and it will be made up of representatives of the republics and provinces, of federal bodies and agencies, and also of scientists and business executives. According to the Tanjug report made public last Saturday, the commission will devote the greatest attention to changes in the system of expanded reproduction,

in the field of the market and prices, in the formation and distribution of income, in the financial system, and the system of foreign economic relations.

In addition to the commission separate professional teams will be formed to monitor performance of specific obligations arising out of the program for reducing the rate of inflation and stabilizing the economy.

The news about formation of this commission did not affect the disposition of delegates in the Assembly of Yugoslavia—they continued to do the "homework" which their republics and provinces assigned them. This might mean that they do not believe in the results of the effort of the Mikulic commission, even though it is well-known that for Branko Mikulic's government and for him personally the result of this commission's effort is the last chance of getting another 2-year term on 15 May 1988. After all, on 15 May, when under the Constitution Branko Mikulic "renders an accounting" on his effort in the first 2 years, has nothing to take before the delegates. In the meantime, this commission could propose specific changes, and if they are not accepted by the republics and provinces Branko Mikulic might be able to furnish justification for his work up to this point and also leave his present position without losing so much face.

If one is to judge by the manner in which and time at which formation of this commission was announced, then we might suppose that not much is expected of it. Nor would that be confined to the Federal Economic Council. What and how much could this commission do? In order to be able to offer a reliable answer to this question, we would have to know its makeup. On Saturday and Sunday this newsman talked with several scientists from throughout the country who worked on the drafting of the Long-Range Economic Stabilization Program and asked them whether they were members of the new commission. They all answered that they know no more about that commission than was published in the newspapers. That could mean either that the economic policy on which the Long-Range Economic Stabilization Program is being based is being retreated from, or the commission has not yet been formed; that is, the decision to form it has just been made, but no decision has been made on its composition. One can only have suspicions as to why that decision was made at just this time, when in the Assembly of Yugoslavia the effort at reconciliation of views concerning the annual resolution and other documents is still going on, rather than at the time when the Anti-Inflation Program was adopted.

And then another question might be whether this commission, even if it is made up the most knowledgeable figures, can draft proposals for changes in the economy in such a short time? The only thing that is certain is that the survival of this federal government depends on the results of the work done by this commission.

### The Banks and Foreign Exchange

There are strange ins and outs to all of this so that even the most knowledgeable people cannot get their bearings. For example, it is well-known that the Federal Executive Council has already prepared a draft of the new foreign exchange law, yet foreign economic relations are one of the tasks of the commission just formed. The dilemma is this: Is the Federal Executive Council backing off from the draft of the foreign exchange law, or has it in advance taken over part of the work of that commission?

The foreign exchange system has been topic No 1 of the Yugoslav economic system for 20 years now. The basic dilemma of all its changes has been and still remains: whether foreign exchange belongs to those who realize it or not? That is, it has turned out that in periods when foreign exchange was left to those who realized it Yugoslav economic space was the most disintegrated and the dinar lost sovereignty during those periods. And when a country's currency loses sovereignty, what, then, remains of that country's sovereignty? What can be counted on is that the greatest redistribution has been conducted in Yugoslavia through the foreign exchange system. But it is also true that the economy has been unable to obtain foreign currency. Even the best part of the economy. The problem is that that economy has not been enabled to be still better and to repay the country's debts. It will be enabled to do that only when the dinar becomes a strong currency. Meanwhile, no one pays any attention to the dinar, but only to foreign exchange. It is natural: everyone wants to protect his own property and that is why he "flees" with his property into real money. The dinar is not real money. Nor will it ever be if it loses its sovereignty.

That is why the kind of foreign exchange system that will exist next year is more important for some republics than the content of the annual resolution.

### Bypassing the Delegates

Many of the delegates with whom we talked these past days in the Assembly of Yugoslavia have been giving the lowest marks to progress in reconciliation of views. Not only because they have been forced to take part in formation of a policy which is exclusively based on redistribution, but more because the largest redistribution is actually taking place so as to bypass the Assembly of Yugoslavia. Certain delegates have calculated that next year they will "redistribute" 5,300 billion dinars, that is, almost the size of the federal budget for 1988, or as much as the accumulation and depreciation of the economy of Yugoslavia in the first 9 months of 1987. Those 5,300 billion dinars will be redistributed for export incentives, preferential rates of interest to the economy, rebates, exchange rate differences for the economy and for the petroleum industry, and exchange rate differences in the National Bank of Yugoslavia. The incentives would count for the major share, and this, it is said, goes to the best part of the economy: that segment which is exporting.

Yugoslavia's export industry is not competitive on the world market, although over the period from 1983 to mid-1987 the dinar dropped to one twenty-second of its value, and domestic prices rose 17-fold over that period. Exports did not increase over all that time. There is an explanation as to why neither productivity nor industrial output increased in that time in those republics which are the largest exporters. Why should they make a better effort when things are being given to them? And when they are given much more than all the others are getting.

As for exchange rate differences, the final accounting yields strange results: they are smaller for the entire economy than for the petroleum industry which has the lowest utilization of capacity.

That is why many delegates are dissatisfied. And why there is a hint of the possibility that the Resolution for 1988 will not be adopted. With it or without it—it makes no difference: the redistributions continue. And the high rate of inflation along with them.

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